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**Elena Kagan News 2 [1]**

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Federal News Service, FEBRUARY 13, 1998

FEBRUARY 13, 1998, FRIDAY

SECTION: WHITE HOUSE BRIEFING

LENGTH: 3116 words

HEADLINE: SPECIAL WHITE HOUSE BRIEFING WITH  
DIRECTOR OF THE OFFICE OF NATIONAL DRUG CONTROL POLICY  
GENERAL BARRY MCCAFFREY  
PHILADELPHIA MARRIOTT  
PHILADELPHIA, PENNSYLVANIA

BODY:

MR. LOCKHART: Hello, everybody. Can you hear me in the back? Before I take any questions, we're going to do a couple of things first. Tomorrow's radio address will focus on the President's new drug strategy, and General McCaffrey is here today to talk to you a little bit about that. This briefing will be non-embargoed, you're free to use this any time. There will also be some things in the radio address tomorrow that we're going to hold until tomorrow, so there will be some new stuff there and he will not be able to talk about that until later.

Q Can I just suggest -- can he talk about the embargoed --

MR. LOCKHART: Let's do this, let's get through this part and if there's any interest we can work something out. What we've handed out is releasable now. After that, I've got Elena Kagan, from the Domestic Policy Council, who is here and available if you have any questions on the study the President talked about today, from Treasury. And then I'll be there if there's any other subjects that interest you.

General McCaffrey.

GENERAL MCCAFFREY: Very quickly, let me run through -- and I guess this is a change that it's not embargoed -- what the President will put in front of the American people tomorrow at 10:06 a.m. And at 11:00 a.m. I'm going to try and bring together part of the interagency team -- Justice, Treasury, Health and Human Services, Education -- and respond to people's questions in Washington. There's three documents I'll show you, and a fourth you need to know about. The first document is the National Drug Strategy, and that's what the President will refer to. It is comprehensive. He will underscore that it's a 10-year perspective. He'll talk about -- in his radio address he'll try and bring life to this by talking about the programs that give this meaning.

We think this is the blueprint for what we're going to try and accomplish. And we have told the Congress -- and I would suggest to you that what you need to do is hold us accountable by seeing if what we do in the next three years supports the strategy. So that's the most important thing I'd put in front of you to consider -- the strategy is what we're trying to achieve, reasonably short, well written, based on expert input and we think finds wide acceptance.

There's a second document you need to know about: The National Drug Control Strategy Budget Summary. This is the '99 document, but it has also got a five-year projection for the first time in our history. Frank Raines and I worked with each of the Cabinet Secretaries over the last six months in particular, and hammered out a drug budget which went to the Hill -- the President sent this over to the Hill a couple weeks ago -- that is \$17.1 billion. It was \$16 billion last year. It was \$15.4 billion the year before

Federal News Service, FEBRUARY 13, 1998

that. The bottom line has increased significantly in each of those budget years, and the '99 budget continues it. There has been a disproportionate investment of new money in the prevention of drug use by young Americans and in the treatment of drug addiction among the 4 million chronically addicted. And then, finally, this budget I think is pretty significant, starts to effectively link the drug treatment community and the criminal justice community. So there's a lot of information in here about how Janet Reno will try and use a drug court system and something called "breaking the cycle," which is a step beyond drug court, which is really a diversion program, first-time offender, non-violent offender. And now we're getting into a concept we tested last year -- the President now funded it -- which was mandatory drug test for arrestees, followed by mandatory treatment both in prison and follow-on. And I'd be glad to respond to your questions. But this budget is a 6.8-percent increase over last year and is a 15-percent increase in those programs aimed at young Americans. So inexorably, the resources are starting to come into line with a front-loaded strategy based on prevention and treatment linked to criminal justice.

Here's a new document. We won't have it printed. It's interagency approved. We've given you the cover sheet and the outline. It's called the Performance Measures of Effectiveness. The President will talk about this in his radio address tomorrow. It's a 141-page document. It's the first time we've done it. It attempts to set out for this strategy and for long-term budgeting where we say we're going. And so what you'll find if you look at the summary I gave you is 12 outcome targets that we say we're going to try and achieve over the next 10 years. We've broken it down into halfway mark, five-year targets. And then in the coming year, what we've told -- Frank Raines and I and Erskine Bowles have told the interagency, you must now in the coming year create annual targets to get at the end of 10 years to a reduction of drug abuse among the American population, down to 3 percent from its current 6 percent. If we can get to 3 percent, we will have achieved the lowest rates of drug abuse in our society in our modern recorded history.

We think these performance measures of effectiveness are coherent. There are 82 subordinate targets, so if you're in a state or local government, if you're a private association, if you're a foreign government or if you're a federal agency, you can see what is it your effort supposedly is going to be held accountable for, where are we trying to go.

Finally, I think all of you have in there two documents. One is a summary of the strategy. It's an outline that I'm putting on the fax at 10:00 a.m. tomorrow. And the second document, we tried to bring together a compilation of where do we think we are in sort of a broad gauge way today in America on drug abuse. Are we winning, losing; are things getting better; is any of this organizational effort and money having an impact. And we put on one piece of paper an attempt to define what we say the evidence seems to suggest. And I would argue the evidence seems to suggest that in a 15-year context, drug abuse is down markedly; that in the short-term, the last five years we've suffered a reversal in which there have been dramatically increasing rates of drug abuse and new drugs among young people; and that last year there is substantial reason to believe that we have made the beginnings of significant progress in reducing drug use by young Americans and by reducing the supply of drugs, particularly cocaine, in the international market.

So that's where we are and I'd be glad to answer your questions -- or go get a sandwich. (Laughter.)

Q Are you getting into a kind of a strange situation where you need the

Federal News Service, FEBRUARY 13, 1998

revenues from the cigarette tax to pay for some of these health programs that are in the State of the Union, and therefore, if the cigarette companies do well you'll have more tax revenues to pay for these programs, which is against the stated purpose of the higher tax?

GENERAL MCCAFFREY: You know, I probably ought to ask OMB about this. But I'm almost sure there is no linkage at all between the cigarette tax and that whole issue and the \$17.1 billion that the President and Frank Raines put in front of Congress. So our programs aren't linked. These are requests for federal appropriated monies in nine separate appropriations bills, which I think will have pretty broad gauge bipartisan support. But this isn't a tax related deal. Q General, this school initiative, what are you doing that the DARE program is not doing? They are in 75 percent of the nation's schools already.

GENERAL MCCAFFREY: Well, the DARE program we are absolutely supportive of. As some of you may know, it's the biggest drug prevention program in the world -- 26 million American children and an additional 7 million in foreign countries. It's primarily targeted at 5th and 6th graders. And it does a pretty good piece of work we think.

Now, at the same time, the drug prevention efforts -- if I go to a school and ask, what are you doing on drug prevention, the answer is, the DARE program in the 5th and 6th grade and then an annual lecture to the high school seniors about your brain on drugs. That's inadequate. So Donna Shalala and Dr. Alan Leshner -- and I and others believe you need to have a consistent antidrug message from kindergarten through the 12th grade that is appropriate for the young people you're talking to.

So one of the things in here that Dick Riley and I are most proud of is a new initiative. It's a modest initial investment of \$50 million to go hire 1,300 drug prevention experts, and to influence out of that some 6,000-plus middle schools around the country. We said that principals have to have access not to somebody who will come in and do the teaching, but someone who has the database, who does have and understands the National Institute of Drug Prevention guidelines.

And so those are the kinds of things that Dick Riley is trying to move forward in the education area. We've got a five-page budget summary in there for you which gives some of the program elements that are there. DARE's a very narrowly based school prevention program in the 5th and 6th grade.

Q General, realistically, how achievable are these goals that he's going to announce tomorrow and what do you feel are the real keys to reaching them?

GENERAL MCCAFFREY: Well, you know, that's been a part of the debate over the last 90 days. Tremendous levels of anxiety in putting on the table performance measures of effectiveness and committing ourselves in the coming year to changing 10-year goals into annual goals. And not just 12 broad ones, but then demonstrating internally what are the 82 intermediate steps.

Now, I think we ought to have a sense of humility about these performance measures of effectiveness. By the end of next year we may have a better assessment on which ones accurately describe the behavior we're seeking to achieve. In some cases, we may end up measuring the wrong thing because it was easier to measure. Another case is we may not achieve some of these goals; then we may want to revise the program as opposed to saying the goal is unachievable. I would argue straight up -- and this has been part of the debate over the last several weeks -- that it is in my own mind clearly achievable to reduce drug abuse and its consequences in America dramatically -- not to a drug-free America, but over the next decade to take it down to historically more normal levels of drug abuse. There's 269 million of us; right now 4.1 million of us are chronic, compulsive drug users. And it seems to me, with rational drug policy that is hooked appropriately into rational law enforcement policy, with

Federal News Service, FEBRUARY 13, 1998

cooperation with the international community, that over time we can achieve these goals.

So I'm extremely positive that these are real programs and that it will pay off.

Q And the second part of the question was, how? What are the keys to achieving the goals --

GENERAL MCCAFFREY: Well, the central pillar of the President's drug strategy -- and I normally cite Columbia University Center for Alcohol and Substance Abuse data. We're pretty well persuaded through almost overwhelmingly mathematical statistical correlation data that if you can get a young American from about the age of nine through probably 19, and they don't smoke cigarettes, abuse alcohol or smoke pot -- those are the three big destructive behaviors -- then the likelihood of them joining this smaller number of 13 million abusers of illegal drugs is remote. If they do those behaviors, it isn't a demonstrated causal linkage that they will end up in that group, but the probabilities skyrocket. So if you get a 19-year-old son or daughter and you look them in the eye, they're not smoking cigarettes, they're not abusive of beer or wine, and they're not smoking pot, they're probably home free. They won't ever be among that incredibly sad and self-destructive group of us who are compulsive drug users.

Q Why do you pick 2007 as the goal?

GENERAL MCCAFFREY: An awful lot of the people I listen to and who I find enormously credible -- let me give you a couple of names of people that I listen to: Dr. Aphram Goldstein, Professor Emeritus of Pharmacology at Stanford University, is one who I normally cite as having shaped my own thinking. This is a generational challenge. You've got to grab each generation of kids who are perfectly okay in the 5th and 6th grade -- we've got to remind ourselves, if you take the whole age population, 11-17, 80 percent of them have never touched an illegal drug. And they come out of the 6th grade where they start seeing a lot of drugs in America and they're still not using them. In those middle school years they're exposed to drugs, and if there is a series of prevention factors there, they don't use them. And to the extent that they're at risk, if they're a vulnerable adolescent, they start using them.

So the bottom line is you've got to focus on young people. You've got to keep them away from what -- another source I would cite is these wonderful people in National Institutes of Health, particularly the ones down at Johns Hopkins, where now we have enough science so we understand that these aren't shapeless social behaviors, these are neuro-chemical changes in brain functioning. You can take a picture of the brain which is rewired with cocaine use and you can watch its glucose metabolic activity, and it's different from a normal brain function.

That's what we're trying to do. Don't get people exposed and involved in cocaine. Don't get them exposed and involved in poly-drug abuse. And if you can do that and get them into their adult years, they're home free.

Q Your figures show a drop in cocaine production in the Andean region by 100 tons from the previous year, in '97. What do you attribute that to?

GENERAL MCCAFFREY: Well, this is one of the unexpected surprises of my life. This is -- let me give you three observations on it. The first one is there has been a 40-percent drop in cocaine production in Peru, period. That's unmistakable. That's satellite data -- actually, I shouldn't say cocaine -- of coca -- under production. It's a 40-percent reduction.

It was an 18-percent reduction this year; 21 percent last year. You can see them moving off the line. They're moving to alternative economic development. Now, that's a function of a lot of things -- some smart alternative economic policies by President Fujimori. It is clearly also a function of the air-bridge interdiction operation between Peru and Colombia, which has been going on for

a little over two years and which I was privileged to take part in when I was a CINC SOUTHCOM.

There's also been for the first time in 8 years an actual net reduction in coca production in Bolivia.

I mean, we've gone 7 years in a row, slight increase each year, nothing appeared to work. This last year the government, the Vice President -- that team actually had a 5-percent net reduction in coca.

And then, finally, the bad news is there was a rather dramatic 18-percent increase in coca production in Colombia. Poor Colombia. It's exploding down in the southern regions -- even though they achieved their eradication goals that we shaped with them.

But if you add them all together, if you -- all the CIA data together, for the first time we've seen a net reduction in cocaine.

Q You said that was 40 percent in Peru over two years?

GENERAL MCCAFFREY: Forty percent over the last two years -- 18 percent last year, 21 percent the year prior to that. Bolivia, the first year we had a net reduction of about 5 percent. And poor Colombia is up about 18 percent.

Q Would you evaluate Mexico's efforts to combat drug trafficking?

GENERAL MCCAFFREY: Of course, we've done that throughout the year. I don't have in your packet -- I should have provided you a copy of the Joint U.S.-Mexico Drug Strategy we just put out. We've been working on that since last May, when the two Presidents in Mexico City told us to -- we'd finished the joint threat assessment; go give us a joint strategy. So we've got a joint strategy on the table.

We have some pretty significant cooperation in the areas of money laundering, precursor chemical control, new legal authorities on the part of the Mexicans passed by their Congress including some that required constitutional revision. We are assisting in the training of non-corrupt Mexican law enforcement institutions. Mr. Mariano Aron (sp), the head of -- new head of their new drug police, now has several hundred law enforcement officers, most of whom have been trained in the United States by the FBI and DEA. And the Mexicans have polygraphed them and drug-tested them. And there is significant cooperation between the U.S. Coast Guard and the Mexican Navy with major seizures both at sea and on land. Mexican cocaine seizures have gone up dramatically, higher than in several years.

Now, having said that, Mexico is under major internal attack, violence and corruption driven by international criminal organizations of a tremendous veracity and cunning. Although they've arrested some of their mid-level cartel leadership and driven others into hiding, it's still a very serious situation. And I might add that occurs on both sides of the border. One of the data points I would offer for you to consider is last year on the U.S.-Mexican border, U.S. law enforcement were subject to 222 violent incidents driven by drug crime. So it's a dangerous environment in both countries.

Q Is this \$17 billion just a one-year figure?

GENERAL MCCAFFREY: That \$17.1 billion is the FY '99 budget the President and Frank Raines and I proposed to Congress -- a substantial amount of money. And then if you look internally, what we're offering is the notion that you've got to invest up front in prevention -- you know, we've got \$36 billion federal, state and local prison operation going on in the United States -- \$36 billion, with 1.7 million men and women behind bars. Half of them I think are there for a drug-related reason.

So the argument we have made is, you've got to get up front with prevention and grind down the number of drug users. And then Janet Reno and Donna Shalala and

Federal News Service, FEBRUARY 13, 1998

I are trying to sort out how do you focus the significant amounts of drug treatment dollars and hook them into the criminal justice system. That's where we're going. If we don't do that we'll continue to be overwhelmed by a problem that is fairly described as costing us \$70 billion a year. That's the size of the problem.

Okay. Thank you.

END

LANGUAGE: ENGLISH

LOAD-DATE: February 14, 1998

LEVEL 1 - 88 OF 166 STORIES

Public Papers of the Presidents

February 13, 1998

CITE: 34 Weekly Comp. Pres. Doc. 260

LENGTH: 285 words

HEADLINE: Checklist of White House Press Releases

HIGHLIGHT:

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

BODY:

Released February 9

Transcript of a press briefing by Deputy Press Secretaries Joe Lockhart, Barry Toiv, and Ann Luzzatto

Transcript of a press briefing by National Economic Council Director Gene Sperling on the President's Social Security initiative

Announcement of nomination for U.S. Attorney for the Northern District of Georgia

Announcement of nomination for U.S. Marshal for the Eastern District of New York

Announcement of nomination for U.S. Marshal for the Western District of Kentucky

Announcement of nomination for U.S. Marshal for the District of Utah

Released February 10

Transcript of a press briefing by Press Secretary Mike McCurry

Fact sheet: Southeast Europe Action Plan

Released February 11

## Public Papers of the Presidents

Transcript of a briefing by the First Lady on the Millennium Project

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by the Press Secretary: President Clinton To Visit Africa March 22-April 2

Announcement of nomination for U.S. Court of Appeals Judge for the Second Circuit

Released February 12

Transcript of a press briefing by Press Secretary Mike McCurry

Released February 13

Transcript of a press briefing by Deputy Press Secretary Joe Lockhart

Transcript of a press briefing by National Drug Control Policy Director Barry McCaffrey and Domestic Policy Council member Elena Kagan on the national drug control strategy

Advance text of remarks by National Security Adviser Samuel Berger at the National Press Club

Statement by the Press Secretary: Appointment of Robert Bell as Counselor to the National Security Adviser

LANGUAGE: ENGLISH

LOAD-DATE: March 06, 1998

LEVEL 1 - 89 OF 166 STORIES

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Los Angeles Times

January 30, 1998, Friday, Home Edition

SECTION: Business; Part D; Page 1; Financial Desk

LENGTH: 1115 words

HEADLINE: CIGARETTE EXECS GET COOL RECEPTION AT HOUSE HEARING;  
TOBACCO: THEY EXPRESS REGRET, PUSH FOR RATIFICATION OF LANDMARK SETTLEMENT. BUT  
DEAL'S PROSPECTS HAVE GROWN CLOUDY.

BYLINE: MYRON LEVIN and ALISSA J. RUBIN, TIMES STAFF WRITERS

DATELINE: WASHINGTON

BODY:

Los Angeles Times January 30, 1998, Friday,

Hoping to ensure the future of their business, the heads of the five biggest tobacco companies went before Congress on Thursday to try to persuade lawmakers that they have turned over a new leaf and will aid the fight against youth smoking if Congress ratifies the \$ 368.5-billion tobacco truce.

Although the executives were models of contrition and humility--going further than ever before in admitting that smoking is dangerous and addictive--they got a mostly frosty reception from the House Commerce Committee, an additional sign that the landmark tobacco deal is in deep trouble.

"In hindsight, I wish years ago I had the foresight to find common ground with our critics," said Geoffrey C. Bible, chairman of industry leader Philip Morris, who appeared with chief executives for RJR Nabisco, Brown & Williamson, Loews and U.S. Tobacco.

The executives made a peace offering, announcing that they would make public the 30 million pages of internal documents provided to attorneys for Minnesota in the state's anti-tobacco case being tried in St. Paul.

But committee members seemed to find little to like in the tobacco deal, which would protect tobacco companies from the most threatening lawsuits in return for curbs on tobacco advertising and huge industry payments to reimburse tobacco-related health-care costs and pay for anti-smoking programs.

Several members thought the deal was too soft on the industry, others found it too tough. But not one of the 30 committee members who spoke was willing to endorse it publicly.

"These CEOs may be messiahs to shareholders and market analysts, but I don't think they've won any converts on this committee," said Mary Aronson, a Washington-based legal and financial advisor.

She noted that Congress has not adopted proposals to limit liability for manufacturers generally, including respected consumer product makers. "If they didn't do it for the good guys, why would they do it for this industry--the one industry that everybody loves to hate?"

Reflecting the charged atmosphere of the hearing and the certainty of wide publicity, sources told The Times that tobacco executives had appealed to committee Chairman Tom Bliley (R-Va.) to forgo the procedure of swearing them in en masse.

Because of the criminal probe that followed, the picture of former tobacco chiefs with hands raised as they were being sworn in together at a 1994 hearing before a commerce subcommittee has become one of the enduring images of the smoking wars. With that in mind, the current crop of CEOs--all new since 1994--unsuccessfully pleaded to avoid a repeat.

"They would rather have appeared naked," said an anti-tobacco lawyer who attended the hearing.

Bliley refused to swear them in individually. "The chairman's response was we have standard procedures," a congressional source said. "The committee is not going to monkey around with those sorts of things."

Los Angeles Times January 30, 1998, Friday,

It was at the 1994 hearings that industry leaders testified under oath that they did not consider nicotine to be addictive. Within days, documents leaked to Congress and the media from Brown & Williamson appeared to contradict their testimony.

The result was a Justice Department probe of perjury allegations, which has evolved into a wider investigation into whether the industry has defrauded consumers and public agencies.

But Bliley, who represents Richmond, Va., where Philip Morris is the largest private employer, continued to distance himself from the industry, which has given more in campaign contributions to him than any other member of Congress.

He told the CEOs that recent disclosure of R.J. Reynolds' documents describing efforts to market to teens "have shaken my confidence that your companies care about the truth."

"Four years ago, I was willing to give your companies the benefit of the doubt," he said. "Today the burden is on you."

As they seem to be at every turn, tobacco officials again were ambushed by new documents showing past efforts to sell to underage smokers. Rep. Sherrod Brown (D-Ohio) cited a memo from Lorillard, the tobacco subsidiary of Loews, on the popularity of its flagship Newport brand.

"The success of Newport has been fantastic during the past few years," according to the memo, which had been cited earlier in the week in the Minnesota court case. "The base of our business is the high school student."

Brown and Reps. Henry A. Waxman (D-Los Angeles) and John D. Dingell (D-Mich.) introduced a Philip Morris memo from 1975 that raised concern about the declining rate of sales growth among Marlboro smokers ages 15 to 19.

Questioned about a 20-year-old R.J. Reynolds memo about the need to "establish a successful new brand" in the 14-to-18-year-old market, Steven F. Goldstone, chief executive of RJR Nabisco, said he was troubled "as a chief executive and . . . as a father."

"I don't know what the rules of the game were" then, but it's "unacceptable today," he said. There is no one now who "would dare even think to do anything like that."

In a pitch for the settlement, Goldstone stressed the need for better relations between the industry and its adversaries. Makers of a hazardous product "need to cooperate with public health authorities," which he said is impossible when tobacco officials spend most of their time conferring with the lawyers defending them in court.

Four of the five CEOs said they believe smoking can be called addictive. "We recognize that nicotine as found in cigarette smoke under some definitions . . . is addictive," said Bible of Philip Morris.

Industry strategists are already conceding the possibility that the settlement will go down in flames, according to a memo introduced at the hearing. In the December memo, an industry public relations firm urged a

Los Angeles Times January 30, 1998, Friday,

massive advertising blitz, both to rally support for the deal and to serve as a possible "exit" strategy.

If the settlement dies, the industry will be able to show that it "made a legitimate offer and the politicians played politics and made a mess of it."

Several committee members criticized the Clinton administration for failing to send a detailed proposal on implementing the deal. If administration officials want comprehensive tobacco legislation as they say, "they have to get in the game," complained Rep. John Shimkus (R-Ill).

"If we thought sending up our own bill would increase the likelihood of a deal, we would do so," said Elena Kagan, deputy director of Clinton's Domestic Policy Council. "We don't think that right now; it's possible down the road that our calculation would change."

\*

Times staff writer Henry Weinstein contributed to this report from St. Paul, Minn.

LANGUAGE: English

LOAD-DATE: February 28, 1998

LEVEL 1 - 90 OF 166 STORIES

Copyright 1998 Times Mirror Company  
Los Angeles Times

January 29, 1998, Thursday, Home Edition

SECTION: Part A; Page 5; National Desk

LENGTH: 1370 words

HEADLINE: NATIONAL PERSPECTIVE;  
LEGISLATION;  
PROPOSED TOBACCO SETTLEMENT ISN'T SETTING CONGRESS ON FIRE;  
SOME LAWMAKERS ARE BEGINNING TO GRAVITATE TOWARD A SCALED-BACK ALTERNATIVE TO  
THE SWEEPING DEAL.

BYLINE: ALISSA J. RUBIN, TIMES STAFF WRITER

DATELINE: WASHINGTON

BODY:

When state attorneys general settled their lawsuits against the tobacco companies last June, their gargantuan agreement carried a small footnote: Its

Los Angeles Times January 29, 1998, Thursday,

terms would not take effect unless Congress approved them.

Far from enacting the proposed \$ 368.5-billion settlement into law, Congress has since distanced itself from many of its specific provisions.

All that remains standing are the section headings: tougher Food and Drug Administration regulation of tobacco, limits on tobacco advertising and marketing, higher cigarette prices, antitrust exemptions and limits on future legal liability for the tobacco companies, and money to reimburse the states for tobacco-related health care costs.

But with little agreement on the fine print, even strong proponents of a sweeping deal are starting to float the idea that a scaled-back bill might be a good start. That could mean the multibillion-dollar settlement would likely go by the boards.

Veteran analysts of health care politics say the magnitude of the proposed tobacco deal and the number of different interests it touches put it at risk.

"I find it hard to see them pulling together a giant tobacco deal, getting all 50 states, the tobacco companies and all the consumer groups to sign on to it," said Tom Scully, president of the Federation of American Health Systems, which represents for-profit hospitals. "No matter how close you get to a deal, somebody is going to have a reason to blow it up."

Congress, split along regional as well as partisan and philosophical lines, cannot even agree on which of the settlement's goals--reducing youth smoking, punishing tobacco companies and reimbursing state and federal governments for the costs of treating people made ill by tobacco--should be paramount.

Further complicating matters is that so many members of Congress want a piece of the action. In the Senate alone, at least seven committees claim jurisdiction over a portion of the legislation, and there is no plan in either chamber for how to glue together a bill.

The public health community, which until recently was split over whether to give the tobacco industry legal protections in exchange for massive payments for public health programs, is increasingly opposed to limiting the tobacco companies' liability in future lawsuits.

That isolates the tobacco companies and their workers, making them and the state attorneys general the major proponents of the proposed settlement.

"I don't think they the tobacco companies have any power in this place at all," said Rep. Tom DeLay of Texas, who ranks third in the House Republican leadership. "They are big contributors of mine . . . but this is something that would be very difficult for me to support."

The industry has kept largely silent in recent months, but today executives of the top five tobacco companies are slated to testify before Congress for the first time since 1994. They will push hard to refocus Congress on the deal that the companies worked out to settle lawsuits filed by 40 state attorneys general.

"It will be a chance for the nation to see that the top executives of the companies are serious about change and are serious about doing the right thing

Los Angeles Times January 29, 1998, Thursday,

and have put a serious package on the table," said Scott Williams, an industry spokesman.

The White House, which is pushing hard for a comprehensive deal, fears that anything less could be too weak to effectively reduce smoking by children and teenagers.

"We shouldn't content ourselves with half measures that won't work," said Elena Kagan, deputy director of the Domestic Policy Council. "What we're worried about is that there is going to be a small bill and Congress will say, 'We've done tobacco legislation, . . .' and we won't have."

Leading members of Congress are not so sure.

"First of all, I'd like to pursue the overall settlement," said Sen. John McCain (R-Ariz.). "If that's not possible, then we could focus just on the . . . aspects affecting smoking by children and sidestep some of the divisive issues."

One of the strongest anti-smoking lawmakers, Rep. Henry A. Waxman (D-Los Angeles), said he too would consider more limited legislation. He underscored that the focus of any legislation had to be "making it harder for companies to lure children into smoking. . . . The other issues are harder to resolve."

Recent events both inside and outside Washington are further compounding the difficulties for Congress.

Congress is uneasy about moving ahead until it sees the outcome of a Justice Department criminal investigation of tobacco companies and a lawsuit by the state of Minnesota against the tobacco firms. Lawmakers fear that any new negative information about the tobacco industry could make their legislation appear inadequate.

"The industry wants us to walk across a minefield blind and hope one doesn't go off," said a Senate Republican leadership aide. "Members of Congress want politics to be a low-risk profession."

Then there is the maelstrom of controversy over President Clinton's alleged affair with a former White House intern, which has slowed the governmental pace in Washington to a crawl and, more important, may have damaged his ability to piece together a compromise. Analyst Gary Black of the Sanford C. Bernstein & Co. investment research firm, who initially set the odds in favor of enactment of a deal at 4 to 1, dropped them to even money in the wake of Clinton's troubles.

Most significant of all, many interested parties in the settlement reached last June between the state attorneys general and the tobacco companies find that the deal falls short. Here is where the toughest issues stand:

Immunity from lawsuits: This could hang up the whole deal.

Critics of the proposed settlement challenge the unprecedented grant of immunity to a single industry from future class-action lawsuits and the \$ 5-billion limit on cumulative annual damages the industry would pay in individual lawsuits.

Los Angeles Times January 29, 1998, Thursday,

"I cannot see any justification for this industry or any other industry to be given special protection against future wrongdoing," said Sen. Kent Conrad (D-N.D.).

But the tobacco industry says a deal without legal protections is no deal at all. "It is an unprecedented annual payout for an industry that has not paid a dime in punitive damages," Williams said. "Therefore it must have the civil liability protections it is seeking."

Clinton aides are being careful not to allow the immunity issue to scuttle an agreement. "Limits on liability are not necessarily a deal-breaker for us," Kagan said.

Teen smoking: Public health experts criticize the deal for not going far enough to reduce youth smoking. Teenagers will stop smoking, they say, only in the face of an immediate rise in cigarette prices--\$ 1.50 a pack or more--combined with unfettered FDA authority to regulate tobacco as a drug.

The settlement involving the attorneys general anticipated an increase of only 62 cents a pack over five years, according to an analysis by the Federal Trade Commission.

FDA regulation: The extent of FDA authority over tobacco is a highly complex issue that raises the specter that the agency could even go so far as eventually banning tobacco. Although no one has suggested that Republicans are particularly uncomfortable with allowing the FDA to dictate the content of a legal product.

Tobacco tax: Most current scenarios envision a government windfall from the tobacco industry through a penalty payment or a tax. Clinton is counting on raising \$ 65.5 billion over the next five years from the tobacco settlement, and he proposes spending the money on public health, child care and education.

Republicans are divided among themselves about how to spend the money. Possible beneficiaries are biomedical research, anti-smoking programs for young people and the Medicare trust fund.

Lawyers' fees: Republicans have failed repeatedly in their efforts to weaken the trial lawyers, who are big-time Democratic supporters, by capping damages in civil lawsuits. In the state tobacco lawsuits, the attorneys general hired trial lawyers to run their cases, and lawyers in some states are asking for more than \$ 1 billion in payments.

GRAPHIC: PHOTO: Heads of the nation's largest tobacco companies are sworn in during a 1994 congressional hearing. PHOTOGRAPHER: Associated Press

LANGUAGE: English

LOAD-DATE: February 28, 1998

LEVEL 1 - 91 OF 166 STORIES

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Newsday (New York, NY)

Newsday (New York, NY), January 27, 1998

January 27, 1998, Tuesday, ALL EDITIONS

SECTION: BUSINESS; Page A39

LENGTH: 630 words

HEADLINE: DISCLOSURE OF TARGETING TEENS COULD SMOTHER SMOKING DEAL

BYLINE: Harry Berkowitz. STAFF WRITER

BODY:

As a Congressional committee prepares to grill the chief executives of seven tobacco companies Thursday, doubts are growing that a sweeping national deal aimed at cutting teen smoking will be turned into law this year.

Wall Street analysts say it's become a toss-up following recent revelations about marketing cigarettes to youngsters and amid a White House scandal that may weaken President Bill Clinton's ability to push tobacco legislation.

Furthermore, a key anti-tobacco activist who helped negotiate the June 20 deal - between tobacco companies and state attorneys general - has shifted focus and now stresses that it should be overhauled to be tougher on the industry.

"The longer people remain wedded to the exact terms of the June 20 agreement, the less likely that legislation will pass," Matthew Myers, general counsel of the Campaign for Tobacco-Free Kids, said yesterday.

Gary Black, an analyst at Sanford C. Bernstein & Co. who had been putting the odds of passage at 80 percent, says they have dropped to 50-50 following the recent disclosure of R.J. Reynolds documents. Those papers showed that for years the company tried to increase its market share of smokers as young as 14.

Those documents will turn up the fire this week when the House Commerce Committee questions the chiefs of RJR Nabisco, Philip Morris and other companies, analysts say. The same executives will testify Feb. 24 before the Senate Commerce Committee, which is sending the White House a list of 100 questions about the possible details of legislation.

Neither political party wants to end up looking like it is being soft on the industry, which is eager for the deal's protections from class-action suits and punitive damages from individual suits.

"The industry will admit things and try to show it's turned over a new leaf," Black said.

That would be a contrast to a 1994 hearing by the House Commerce Committee at which seven top tobacco executives, all of whom have since left the companies, denied nicotine is addictive and were assailed mainly by Democrats.

"These are new leaders of these companies," said Scott Williamson, an outside spokesman for several companies. "They are different people and they have made a public commitment to dramatically change the way tobacco is marketed and manufactured in the United States."

Newsday (New York, NY), January 27, 1998

The legal protections are key for the industry.

"According to the Senate leadership, the anti-tobacco forces are not willing to give immunity to the tobacco industry," said Oppenheimer & Co. analyst Roy Burry. "That will stall the deal so long that it will not pass this year."

Clinton's ability to steer the legislation will be critical. "People perceive that he is the only one who can get the reluctant Republican Congress to pass this," Black said. He said the deal, which was supposed to cost the industry \$368.5 billion over 25 years, may be toughened to yield \$550 billion.

As for criticism that Clinton has not specifically spelled out what tobacco legislation should look like, White House advisers say providing a detailed plan at this point - rather than working with Congress to shape one - could backfire.

"If we thought that providing specifics would increase the likelihood that Congress would enact this, we would provide specifics tomorrow," said Elena Kagan, a White House deputy domestic policy adviser. "But it might in fact detract from the likelihood of enactment."

Instead, in his State of the Union address tonight, Clinton is expected to stress the importance of tobacco legislation without getting more specific.

In the possible absence of a tobacco package backed by the industry, some legislators are pushing for a sharp increase in cigarette taxes and other measures as a substitute.

LANGUAGE: English

LOAD-DATE: January 27, 1998

LEVEL 1 - 92 OF 166 STORIES

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November 25, 1997

LENGTH: 1948 words

HEADLINE: THE WHITE HOUSE

Remarks by the President and First Lady at Adoption Bill signing

HIGHLIGHT:

The East Room

BODY:

MRS. CLINTON: Thank you and welcome to the East Room. Please be seated. We are delighted to have all of you join us today for this very important event and one that many of you in this room have worked for and looked for for many years.

There are some people that I would like to acknowledge and introduce before we get started. You will hear from the four members of Congress who are here on the stage, Representative Kennelly, Representative Camp, Senator Chafee and Senator Rockefeller. Also attending are Senator Craig, Senator DeWine, Senator

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Landrieu, Representative Levin, Representative Oberstar, Representative Maloney, and Representative Morella. And I'd like to ask all the members of Congress to please stand. (Applause.)

This was truly a bipartisan piece of legislation. It could not have been passed without the strong support of the members whom you see, including the sponsors who are here on the stage. It was also a work that was very much in the heart of Secretary Donna Shalala and her team from HHS - Richard Tarplin, Mary Bourdette, and Carol Williams. And I'd like to ask the Secretary and her team to stand please. (Applause.)

There were also a number of members of the White House staff who worked very hard with members of Congress and with members of the HHS contingent, and I'd like to acknowledge just a few of them - John Hilley, Bruce Reed, Elena Kagan, and in particular Jen Klein and Nicole Rabner. I want to thank all of them. (Applause.)

I'm also pleased that we have Governor Romer of Colorado. We have children, families, advocates, and leaders of the child welfare constituency here in our audience.

Nearly a year ago, the President and I met with children waiting in the foster care system for caring families to call their own. There the President pledged to reform the child welfare system to work better for the children it serves, to put their health and safety first, and to move children more quickly into safe and permanent homes. Today we as a nation make good on that pledge. And for the thousands of American children who wait for a stable, loving home that will always be there, it is not a moment too soon. Right now there are nearly half a million children in foster care. For most, foster care is a safe haven on the road to a permanent home or back home. Too many, however, make countless detours along the way, shuffling from family to family without much hope that they will ever find permanent parents to love and take care of them. These children who will enter this holiday season unsure about whether the family they celebrate this year will be there with them next year deserve better.

We know it makes a difference for children to have permanent loving homes. It's not only research that tells us this; we know it by our intuition, by our own experience and we have all seen it firsthand. It was here in this room two years ago that a young woman named Deanna - a child waiting to be adopted in foster care stood up and read a poem about what she wanted in life, and it wasn't real complicated. It is what all of us want. I'm happy that because of that event here in the East Room, she was able to meet a family who did adopt her. And I saw her last year at an event in Kansas City and almost didn't recognize her - from a shy, withdrawn 13-year-old, she had blossomed into a cheerful, outgoing, confident teenager with a brilliant smile.

This landmark legislation that the President is about to sign will see to it there are more stories like Deanna's. This legislation stands as proof of what we can accomplish when we come together. As we see today, the national government does have an important role to play in reforming our foster care system, and giving guidance to courts and states in offering incentives to speed up and increase the numbers of adoptions, and in making sure that the health and safety of our children is always the first priority.

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But we know even more, all Americans have a role and a responsibility. Businesses can make it easier for their employees to adopt a child. And I want to single out Dave Thomas of Wendy's, who has led the way in showing all of us how that can be done. (Applause.)

Religious leaders can help spread the word about the joys of adoptions. Parents thinking about adoption can expand their search to reach out to kids in foster care. And if we reform the system so that it works the way that it should, more Americans will look to American children to adopt and not feel compelled to go overseas to adopt children. (Applause.)

With us today are some extraordinary Americans who have answered this call. This morning, the Department of Health and Human Services observed National Adoption Month by honoring outstanding achievements with the 1997 Adoption 2002 Excellence Awards. Secretary Shalala developed these awards at the request of the President. The winners are dedicated individuals and organizations, both large and small, who have worked to move children out of the foster care system and into permanent, loving homes. Some of them have been at the forefront of this issue for years; some have promoted and supported adoption in their communities; and some are parents who have opened their homes and hearts to our nation's most vulnerable children.

I'd like to ask all the honorees who were honored this morning to please stand. (Applause.) We want to thank you for the work you have done, for the example you have set. And we hope that through these awards, in conjunction with this legislation, there will be many, many more in your ranks in the years to come.

THE PRESIDENT: Thank you, Sue Ann. Thank you, Aaron (phonetic). And I want to thank the Badeau family for showing up. I think it's fair to say it was a greater effort for them than for anyone else here. (Laughter.) I appreciate the rest of your presence. It was easier for me than anybody; I just had to come downstairs. (Laughter.) But I'm grateful that they're here.

Secretary Shalala, I thank you and your staff for your remarkable work on this. And I thank the members of the White House staff, all the members of Congress who are present here. And especially I thank Senators Rockefeller and Chafee and Congressmen Camp and Kennelly for their work and for what they said here.

Congratulations to the Adoption 2002 Excellence Award winners. I thank all the advocates who are here. And I say a special word of thanks, along with all the others who have said it, to the First Lady, who has been passionately committed to this issue for at least 25 years now that I know. Thank you, Governor Romer, for coming. And thank you, Dave Thomas, for what you've done.

Again let me say to all the members of Congress who are here, Republicans and Democrats alike, I am very grateful for what you've done. This, after all, is what we got in public life for, isn't it? Before I make my brief remarks, if you'll forgive me and understand, I have to make one public statement today about the situation in Iraq.

As I have said before, I prefer to resolve this situation peacefully, with our friends and allies, and I am working hard to do just that. But I want to be clear again about the necessary objective of any diplomacy now underway. Iraq

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must comply with the unanimous will of the international community and let the weapons inspectors resume their work to prevent Iraq from developing an arsenal of nuclear, chemical and biological weapons. The inspectors must be able to do so without interference. That's our top line; that's our bottom line. I want to achieve it diplomatically. But we're taking every step to make sure we are prepared to pursue whatever options are necessary. I do not want these children we are trying to put in stable homes to grow up into a world where they are threatened by terrorists with biological and chemical weapons. It is not right. (Applause.)

It's hard to believe now, but it was just a little less than a year ago when I directed our administration to develop a plan to double the number of children we move from foster care to adoptive homes by the year 2002. We know that foster parents provide safe and caring families for children. But the children should not be trapped in them forever, especially when there are open arms waiting to welcome them into permanent homes.

The Adoption and Safe Families Act, which I am about to sign, is consistent with the work of the 2002 report and our goals. It fundamentally alters our nation's approach to foster care and adoption. And fundamentally, it will improve the well-being of hundreds of thousands of our most vulnerable children. The new legislation makes it clear that children's health and safety are the paramount concerns of our public child welfare system. It makes it clear that good foster care provides important safe havens for our children, but it is by definition a temporary, not a permanent, setting.

The new law will help us to speed children out of foster care into permanent families by setting meaningful time limits for child welfare decisions, by clarifying which family situations call for reasonable reunification efforts and which simply do not. It will provide states with financial incentives to increase the number of children adopted each year. It will ensure that adopted children with special needs never lose their health coverage - a big issue. Thank you, Congress, for doing that. It will reauthorize federal funding for timely services to alleviate crisis before they become serious, that aid the reunification of families that help to meet post-adoption needs. With these measures we help families stay together where reunification is possible and help find safe homes for children much more quickly when it is not. We've come together in an extraordinary example of bipartisan cooperation to meet the urgent needs of children at risk. We put our differences aside, and put our children first.

This landmark legislation builds on other action taken in the last few years by Congress: the Adoption Tax Credit I signed into law August to make adopting children more affordable for families, especially those who adopt children with special needs; the Multiethnic Placement Act, enacted two years ago, ensuring that adoption is free from discrimination and delay, based on race, culture, or ethnicity; and the very first law I signed as President, the Family and Medical Leave Act of 1993, which enables parents to take time off to adopt a child without losing their jobs or their health insurance.

We have put in place here the building blocks of giving all of our children what should be their fundamental right - a chance at a decent, safe home; an honorable, orderly, positive upbringing; a chance to live out their dreams and fulfill their God-given capacities.

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Now, as we approach Thanksgiving, when families all across our country come together to give thanks for their blessings, I would like to encourage more families to consider opening their homes and their hearts to children who need loving homes. You may not want to go as far as the Badaeus have - (laughter)

- but they are a shining example of how we grow - (applause) - they are a shining example of how we grow when we give, how we can be blessed in return many times over. We thank them and all - all of the adoptive parents in the country.

For those who are now or have been foster or adoptive parents, I'd like to say thank you on behalf of a grateful nation, and again say at Thanksgiving, let us thank God for our blessings and resolve to give more of our children the blessings they deserve.

Thank you very much. (Applause.)

LANGUAGE: English

LOAD-DATE: November 26, 1997

LEVEL 1 - 93 OF 166 STORIES

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November 25, 1997

LENGTH: 1948 words

HEADLINE: THE WHITE HOUSE

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HIGHLIGHT:

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BODY:

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Thank you very much. (Applause.)

LANGUAGE: English

LOAD-DATE: November 26, 1997

LEVEL 1 - 94 OF 166 STORIES

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November 21, 1997

LENGTH: 6008 words

HEADLINE: THE WHITE HOUSE

Press briefing by E Bowles, S Berger, F Raines, G Sperling, J Yellin, and E Kagan

HIGHLIGHT:

The Briefing Room

BODY:

MR. BOWLES: I'm going to talk a little bit about the situation in Iraq and we'll take some questions. I think Gene Sperling and Janet Yellin and the Budget what we have accomplished this year and the events of the last week, and then Sandy is going to come up and talk a little bit about the situation in Iraq, and we'll take some questions. I think Gene Sperling and Janet Yellin and the Budget Director and Elena Kagan are all here to take questions on your behalf.

In thinking about this last year, I thought when I came in a little while ago, I thought of my good friend, Dean Smith back in my beloved North Carolina some of the great teams that he's put together over the years, and I remembered one team he had that went 28 and 4. The team practiced hard, they worked hard together, they accomplished some great results and they got to the Final Four and they lost that last game by two points at the end of the game.

And at the end of that game, the team was disappointed, some of the fans and the critics were disappointed. But I think after the game and after things settled down and they reflected on what had gone on during the entire year, they all decided it was a good year and a year they could be proud of, and they looked forward to keeping the team together and practicing hard and coming back next year and seeing if they could win some of those games and beat some of those teams they lost to during the year just completed.

M2 PRESSWIRE November 21, 1997

I think it's fair to say that we did have a good year this year. It was a year of progress and achievement. It's also been a year of true bipartisanship and cooperation, and it's a year in which many of us banded together to prepare our country for the 21st century.

I know a number of you want to talk about the hits and misses that occurred during the last week and I promise you we'll get to those and I'll take those questions, but let me talk about briefly some of the things we have accomplished during the last year.

Back in February, the President laid out a clear, ambitious call to action in his State of the Union Address for the second term, and as the Congress is now adjourning, I think the record is clear that we have accomplished a great deal. I would begin with the accomplishment of achievement of the first bipartisan balanced budget in a generation that will produce real savings in excess of \$900 million. That budget was achieved with some real tax cuts for hard-working middle class families at the times when the need it the most, when they're raising their kids to pay for education, when they're buying or selling a home and saving for retirement.

We also achieved the largest increase in education funding in 30 years. We did this by vastly increasing the money that's being made available for early childhood programs to prepare our kids so they're ready to enter school ready to learn, and also through the expansion of the America Reads program and the establishment of high national standards for 4th grade reading and 8th grade math, so that when our kids graduate from high school, they'll graduate with a diploma that means something and also with the availability now of increased Pell Grants and with the tuition tax credit and with the HOPE Scholarships, that additional two years of education will be universally available, which was a goal the President outlined in the State of the Union.

We also came forward this year with the largest increase in health care for children since Medicaid in 1965, making it possible for as many as 5 million additional kids to have health care insurance - kids that don't have insurance today - through an unprecedented \$24 billion for children's health care. We also were able to get forward and pass some critical long-term entitlement reform by taking out and extracting about \$400 billion to \$450 billion worth of savings in the Medicare program that extends the life of the Medicare Trust Fund out for 10 years, and we also established a Medicare Commission, which will allow us to address the long-term structural problems associated with Medicare.

Sixth, we were able to pass provisions that will enable us to move 2 million people from welfare to work and also to restore basic health and disability benefits to legal, law-abiding immigrants, something that the President had promised to do prior to the beginning of this year.

We also took concrete steps forward to preserve the environment, to clean up over 500 toxic waste dumps, and with our Brown Field tax initiatives to redevelop 14,000 contaminated sites within our inner cities. We also were able to get through ozone and particulate matter regulations which will go a long ways toward improving the health of our children, and the U.S. came out with a very strong position on global climate change.

On the foreign policy front, I think we also have a great deal that we can be proud of. We did ratify the Chemical Weapons Convention. We were able to

M2 PRESSWIRE November 21, 1997

extend normal trading relations with China. We strengthened the NATO Partnership for Peace through the signing of the NATO-Russia Founding Act and by offering membership in NATO to Poland, the Czech Republic and Hungary.

We also negotiated the Information and Technology Agreement and the Telecommunications Agreement on shackling over \$500 billion in trade in sectors where the U.S. already has a very dominant position, and we launched the Africa Free Trade Initiative.

There are also several areas where we did come up short. While we accomplished a great deal, there were four basic areas that we did not reach the potential that we had hoped to. The first was clearly the renewal of fast track trading authority. We did have strong opposition by some members of the Democratic Party, and we also had opposition from some members of the Republican Party who linked their trade vote to international family planning.

We have had a temporary setback there. We do plan to come back next year, hopefully in February, with a bill that can achieve broader bipartisan support. This is something that the President truly believes is critical to the future economic well-being of this country.

The second area where we fell short was in the passage of real campaign finance reform. The Republican congressional leaders blocked the McCain-Feingold bill from coming to a vote. Thank goodness Senator Tom Daschle, the Minority Leader, was able to extract a pledge from Trent Lott to have a clean up or down vote on this measure before March 6th of 1998, so this is another portion of where we fell short. We'll be able to fight the battle again at the beginning of next year.

Third, we were not able to enact a strong juvenile justice bill, which we had hoped to do this year. However, the President was able to use his executive power to make some progress on this central piece of legislation. Many of you may remember that we were able to issue a directive to all federal agencies requiring child safety locks to be issued with every handgun, and we also reached an agreement with eight major handgun manufacturers to provide child safety locks with each handgun that's sold.

And lastly, just the day before yesterday, we were set back in our efforts to attain funding for U.N. arrears and for the new agreements on barring through the IMF - again, another area where we plan to go back in early February to meet with the Congress and try to see if we can bring this to a successful conclusion.

I think that summarizes what we were able to achieve, where we felt we fell short, and some of the areas where we did fall short and hope to go back on at the beginning of next year. Sandy is now going to come up and take -

Q How about the nominations that have been set back, Surgeon General and civil rights?

MR. BOWLES: There are a number of nominations which didn't come through - you just mentioned two - that we have great concern on. We believe that Mr. Satcher will be confirmed to be the Surgeon General at the early part of next year. We believe that Bill Lann Lee is highly qualified to be Assistant Attorney General for Civil Rights. He certainly has a record of clear integrity. This

M2 PRESSWIRE November 21, 1997

is a man who has spent his entire life fighting for civil rights. It is someone that the President supports and supports strongly. We believe this man deserves a vote, but I assure you he will be the next Assistant Attorney General for Civil Rights.

Q Without a recess - are you saying that the recess

-

MR. BOWLES: I assure you, he will be the next Assistant Attorney General for Civil Rights.

Q Well, can we make this quantum leap and say there will be? (Laughter.)

MR. BOWLES: Well, we hope he'll get a vote.

Q Mr. Bowles, do you believe that Congress is playing by the rules with all of these appointments?

MR. BOWLES: Well, I think - you know, yes, they're playing by their own rules. Whether or not we like those rules is another subject. I think the job they have done with Bill Lann Lee is disgraceful. I am deeply disappointed with their effort as it relates to appointing judges. As you know, I have spent my entire life trying to bring people together. I think I am known as a relatively reasonable person with working with both sides, but I think the job they have done with judges and with our Assistant Attorney General for Civil Rights is just plain wrong.

Q What are you going to have to do differently, do you think, to get the fast track passed in the spring?

MR. BOWLES: I think we have to do a number of things. We have already started doing those. We have been reaching out to members of both sides, trying to talk about ways that we can make some modifications in our bill so that we can come forward with a bill that can get broader bipartisan support. We just fell very - you know, we were very, very close this time and we think we can make the kind of modifications that will allow us to come back and get it passed in February.

Q Even with those modifications -

MR. BOWLES: I would rather spend some time talking with the members of Congress, doing our homework, being properly prepared, going out to the people and generating some additional support in the country, and then come forward a little later on and tell you exactly how we would modify the bill in order to achieve the support we need to get it passed. But it is critical that we get it passed. As you look to the future, one-third of the growth that we have had in the past has come from exports. In the future, world trade is expected to grow at three times the rate of the U.S. economy. Ninety-six percent of the world's customers are not here. We have got to bring down these trade barriers so that we can compete on a level playing field with our competitors in Japan and Europe.

Q Are you going to be around to push it?

M2 PRESSWIRE November 21, 1997

Q Dean Smith retired. Are you planning to do the same?

MR. BOWLES: What's that?

Q Dean Smith retired. Are you planning to do the same? Are you going to be here next year?

MR. BOWLES: I am going to be here as long as the President wants me to stay.

Q Erskine, the fast track debate revealed not only some differences of principle over trade between House Democrats and the White House, but there are also a lot of signs of personal resentment and tension and a lot of ill will on their part or feelings that they weren't appreciated here, the larger relationship between House Democrats and the White House is what I'm talking about. How much of a concern is that to you and the President, and is there anything you plan to do about it?

MR. BOWLES: I think some of that has been overblown, John. I think if you look at the votes that we've had this year, whether it is in the balanced budget where we had between two-thirds and three-quarters of the Democrats voting with us, if you even look at the trade issue where it passed with the majority of Democrats in the Senate where it had the support of the majority of governors, the majority of the mayors, if you look at our positions on education, on health care, on welfare to work, on any number of issues, on tobacco, on some of the issues that we will face next year, I think you can see that there is broad consensus among the Democratic Party.

Only in the area of trade, I believe, and I think it is a very distinct area, has there been somewhat of a schism. And what we are going to try to do over the next couple of months is work hard to make sure we bring ourselves together so that we can have a bill that gets broader bipartisan support.

Q Erskine, why weren't you able to at least round up votes in the new Democratic Caucus? It seems of all the Democrats who should have supported free trade, you would have been able to round up all those votes.

MR. BOWLES: Karen, I hope that we can do a better job in rounding up support for it as we go forward. We were able to get about a quarter of the Democratic Caucus to come forward and support it. We hope if we can make some modifications to the bill that it will make it more acceptable to a larger number of Democrats and we can get their support.

Q Erskine, you were talking about the IMF and how you might try and take care of this next year. There are some crises going, however, in Asia that might prevent you from being able to do that. Yesterday they said Capitol Hill estimated it would require about \$50 billion to bail out Korea if that becomes necessary. So if they just cut off part of your IMF funding, will that force you to use the currency stability fund?

MR. BOWLES: In the discussions I have had with Secretary Rubin and Deputy Secretary Summers, they feel comfortable that we can manage the problems that we now face and we expect to be able to go back in the first part of the next legislative session and, hopefully, secure the funding for the IMF and, in addition, get the funding that we need for the U.N. arrears. Both of these should have passed this time. I think the fact that they were linked to

M2 PRESSWIRE November 21, 1997

international family planning just makes no sense whatsoever.

Q Erskine, you said that you are looking to alter the bill that was out there. Are you looking at this point in offering a broader bill or might you do - what is the likelihood that you do a fast track bill that is more narrowly tailored to a specific idea such as a treaty with Chile?

MR. BOWLES: We haven't made a decision on that yet.

Q Erskine, the President -

Q Back to Bill Lann Lee - you were saying that he is going to be the next civil rights enforcer and you say unequivocally. But are you kind of fearful - is the White House fearful that there could be some retaliatory measures from Congress if there is a recess appointment?

MR. BOWLES: This is a matter that the President believes in strongly. He has supported the principle of civil rights his entire career. Bill Lann Lee is somebody who is qualified, who deserves to be Assistant Attorney General for Civil Rights, who will make a great representative for this country, and he should be and he will be.

Q So you're not fearful of congressional retaliation?

MR. BOWLES: No.

Q Erskine, the President started out the year with a very strong call for bipartisanship that prevailed through part of the year - Bill Lann Lee and so on. Has bipartisanship totally broken down in Congress?

MR. BOWLES: No, and I think there is a good deal of opportunity for additional bipartisan efforts, whether it's in the international area or whether it's on selected domestic issues.

When we can put together a bipartisan coalition, we want to do that. We think that's in the best interest of the American people. They want to see us get things done and not just talk about things. I think if you look at that laundry list of issues that I went through, whether it was achievement of some real fiscal responsibility in this country, whether it was in the area of education, whether it was in the area of environment, whether it was in the area of moving people from welfare to work, tax relief for middle class families, there was broad bipartisan support for each one of those, and we worked hard to achieve that.

Q When your appearance was billed here, we were told that you were also going to project what the President would be seeking in the future. In addition, I suppose, to fast track, are there any new initiatives?

MR. BOWLES: I think there are a number of things that you can expect to see us working on as we go forward. First, we do want to make sure that we do open up markets for U.S. goods, so we will come back with some fast track legislation. Secondly, we are going to work again to have some real campaign finance reform. Thirdly, we will work again to pass a strong juvenile justice bill. We do want to secure the U.N. arrearages into funding for the IMF.

M2 PRESSWIRE November 21, 1997

In the area of new things that we'll be exploring, I think you will look at us trying to advance our education agenda, stressing the importance of high national standards and infrastructure needs that our schools face today. I think you'll see us working on a consumer bill of rights. You'll see us very active with the tobacco legislation. I think you'll see us moving forward with health care and pension portability, child care initiatives, reforming the Medicare and Social Security needs of this country and trying to solve a structural long-term areas of

- let me bring Sandy up because he's got to leave in just a minute, to talk to you a little bit about -

Q Reform of the tax code - you know, are you settled?

MR. BERGER: Are there any questions? I have a long statement here about accomplishments in the foreign policy area, but let me answer some questions.

Q Sandy, one thing. With the President's diplomacy, is it your sense that the problem here and that what the President and the administration has to do is convince everybody else in the world that Saddam is as big a threat as you apparently believe he is?

MR. BERGER: No, I think the international community has spoken quite clearly over the last two days. And First, the U.N. Security Council resolution, than last night in the unanimous statement after he decided to throw out the Americans - UNSCOM inspectors - indeed, in practical effect, all of the inspectors. So I think there is a clear base of understanding in the international community that this is a threat, that he has the - certainly has demonstrated the intent to use these weapons, and if he has an unfettered capacity to do so, it's a threat not only to his neighbors but to the world. And we are now engaged in talking, consulting with our allies and friends on how we intensify the pressure on Saddam Hussein to get the same message.

Q Well, isn't there disagreement, though, on how much pressure should be exercised and whether or not it's worth going all the way?

MR. BERGER: I think there is a clear feeling on the part of the international community that this is a threat, this is a serious matter, that this poses a risk to the region and a risk to the world, and I'm not going to speculate on where - what steps may proceed.

Q The military moves are fairly obvious for us to gauge. They say we're moving a second carrier in. The diplomatic moves are harder for us to ascertain. Can you tell us what it is that precisely that you're trying to accomplish, what the Secretary of State is trying to accomplish, what the President is trying to accomplish, when we call France or Russia or Great Britain or whomever?

MR. BERGER: We are consulting with our allies on how we intensify the pressure on Saddam Hussein and what should take place if he doesn't reverse himself.

Q Sandy, is it a concern that everything that can be done to Saddam has been done? He's lived through sanctions for six and a half years, we've hit him repeatedly with air strikes, and none of this has done much good.

M2 PRESSWIRE November 21, 1997

MR. BERGER: Well, I think that's - I'm not sure I accept that judgment. The fact is that Saddam has been kept in a box, in a sense, for this six-year period. The sanctions, which are the most pervasive sanctions ever imposed on a nation in the history of mankind, have cost his country \$100 billion. Now, every year or so, Saddam Hussein tries to break out of that containment box, either by moving toward the south as he's done in some instances, moving in the north as he's done in other instances; in this case, throwing out the international inspectors. And what the international community has to do is to be, once again, absolutely clear and firm that is not acceptable behavior - that he remains a threat and the only way out for him is to come into compliance.

Q But if I can follow up on that, the point of the question is, there isn't much more we could do at this point.

MR. BERGER: Well, I think that we have, as I said before, we have maintained for six years, since the end of the Gulf War, we have kept Saddam Hussein contained. We have done an enormous amount to destroy his weapons of mass destruction through UNSCOM. We have stopped him when he has tried to move again towards Kuwait. And I think we have to - this is going to be a long-term enterprise on the part of the international community to assure that he does not, once again, become a threat to his neighbors or a threat to the region or a threat to his own people.

Q Is it long-term U.S. policy - not U.N. policy, but U.S. policy - to see Saddam removed from power, and is there any possibility of using this current crisis to achieve some more long-term resolutions so that we don't have this sort of episodic annual round of crises?

MR. BERGER: Well, it is American policy to assure that the very least he is not a threat to his neighbors or a threat to his own people. That policy has more or less been successful over the last six years. And I think we have to be prepared when he tries, as he has in a very insidious way in this case to break out of that box to make it very clear that is not something that we'll tolerate.

Q Just to follow up on John's question. Did the President intend to kind of move the goalposts this morning when he said that the sanctions will be kept in place as long as Saddam is in power, as long as he lasts, as he put it? Is it his opinion that the sanctions will not be lifted ever as long as Saddam is in power, whatever he does, even if he were to comply?

MR. BERGER: Let Saddam Hussein come into compliance, and then we can discuss whether there are any circumstances.

Q But, Sandy, for the record, can you say from this podium that if he were -

MR. BERGER: It has been our position consistently that Saddam Hussein has to comply with all of the relevant Security Council resolutions for the sanctions.

Q But can you say for the record, that were he to comply - I know that the point is moot for you at this point, but were he to comply with the sanctions, the U.S. would not block the U.N. from lifting the sanctions?

MR. BERGER: I don't think under these circumstances, when he is blatantly out of compliance it is the right time for us to talk about how we lift the sanctions. We're not going to negotiate lifting the sanctions at a time when

M2 PRESSWIRE November 21, 1997

he is in blatant disregard, not only of the sanctions, but also of the Security Council resolutions.

Q It's not a matter of negotiating, it's a point that we're asserting what is in the resolution. They said that if he complies - that he has complied, the sanctions would be lifted. Is it the U.S. position right now that they would be lifted, or would you oppose such a move?

MR. BERGER: It has been the U.S. position since the Bush administration that Saddam Hussein has to comply with all of the relevant Security Council resolutions.

Q Not to belabor a quote, but what the President said is what he has just done is to ensure that the sanctions will be there until the end of time, or as long as he lasts.

MR. BERGER: Well, that's right. That's not inconsistent with what I've said. In other words, there's no way - if he's got to be in compliance, he can't be in compliance if he's thrown the UNSCOM people out. So it's a necessary condition; it may not be a sufficient condition.

He certainly cannot come into compliance when he's thrown the U.N. inspectors out. And as long as they're out, there's no way we can have an argument about whether he's in compliance.

Q As the President's National Security Advisor, how concerned are you and how concerned ought the American people be about the fact that we are now, for all intents and purposes, blind in Iraq to what he can do with those weapons of mass destruction?

MR. BERGER: Let me put it this way. I don't believe that he can redo - the UNSCOM inspectors have been extraordinarily successful over the last six years, and a large portion of Saddam's weapons of mass destruction have been identified and destroyed. I don't believe that he can redo in a few weeks what UNSCOM has destroyed over six years. But certainly, left to his own devices over a long period of time without international inspection, it is a danger.

Q Sandy, could you reassure the public that the United States has the intelligence and the military capacity to destroy Iraq's ability to deliver weapons of mass destruction, or are we limited in what we can do even if we wanted to?

MR. BERGER: I don't think it's appropriate for me to talk about what our military capacity is or not. I think that's a mistake.

Q Sandy, have you made any headway with -

Q What would the justification be - Mike McCurry said again here today that although you and the President, Madeleine Albright are all working trying to get support from allies, support from the U.N., if necessary, the President could act unilaterally and he could do so legally? Can you explain that? Would it be because any nation has a right to protect itself and could the President argue that Saddam Hussein is a threat to the United States?

M2 PRESSWIRE November 21, 1997

MR. BERGER: There is a body of U.N. Security Council resolutions that go back for six years which, in our view, confers all the authority that we would need. But obviously, it is our first preference to resolve this without - by diplomacy and peaceful means, and that's what we are engaged in over the next several days in terms of trying to work with our allies, some of whom have more contact with Saddam Hussein than we do, to make it clear that the international community is resolute with respect to this breach.

Q How can the French government make itself useful to the international effort at this point? What would you like to see from Paris?

MR. BERGER: I think the government of France, as other governments, need to convey - hopefully will convey and I believe have conveyed to Saddam Hussein that he is totally outside the realm of any kind of acceptability from the international community when he throws out these inspectors, and that the only way that he can get back into any kind of dialogue with the international community is by coming back - by allowing those inspectors back.

MR. TOIV: We still have Gene Sperling, Frank Raines, Janet Yellin and Elena Kagan here to answer any further questions about the year-end report.

MR. MCCURRY: Why don't you all come up?

Q How are you coming along in preparing the budget for the next -

DIRECTOR RAINES: We are in the process now of reviewing the proposals from the agencies and the President will be making his decisions in December for the 1999 budget.

Let me say one thing in following up what Erskine said: The President presented his budget in February. Since that time, 15 very important bills have passed to implement that budget: the tax cut bill, the balanced budget bill and 13 appropriations bills. And just as the President said, that his plan presented in February would lead us to a balanced budget, indeed, it will lead us to a balanced budget, and just as he said that it would implement his priorities, indeed, through that, those 15 bills that Congress has enacted on a bipartisan basis, the President's program has, in fact, been enacted whether you look at education, or you look at the support for families in raising their kids, or if you look at the environment, you will see that the President's program has been enacted.

The important part of this isn't simply that we said so in February, but if you look one year ago, one year ago, the conventional wisdom was that the struggle with the Republican Majority where we were so far apart on priorities, would inevitably lead to a clash and no results. And if it didn't lead to a clash, it would lead to the President having to retreat from his priorities and principles.

But if you match up the President's budget and the Republican plan of last year to what has actually happened, case after case, what the President has proposed has actually been enacted into law, so we're no longer at the stage of speculating as to whether or not we could achieve this. In fact, through the enactment of 15 separate bills, the President's plan is now the law of the land.

M2 PRESSWIRE November 21, 1997

Q Speaker Gingrich yesterday said he wouldn't be surprised if the President embraces eliminating the marriage tax penalty. Given the White House is looking at the budget surplus and ways in which perhaps the tax code could be changed, is that one option that you're entertaining?

DIRECTOR RAINES: As all of us have tried to say, that we don't want to spend a surplus before its time, so we would prefer to see any surplus arrive before we had conclusions on how to spend it. But we are looking, as part of this policy process - and this is the National Economic Council as well as OMB and the Council of Economic Advisors - at a broad range of policy initiatives that the President can address in his State of the Union Address and in his budget. And so we're looking at a broad range of things, and I think that just as people were impressed by the array of proposals that he made this last January, I think they'll be impressed by his state of the union speech this coming January.

Q - issue in terms of tax fairness?

DIRECTOR RAINES: Well, there are a lot of issues in our tax system that the President has spoken to. We have managed to deal with several of them in terms of the incentives in the tax system for education and for raising kids. But there are issues of tax equity that he is quite concerned about, and he has asked all of us to look at those issues as well as the issues of long-term entitlements to see what kinds of proposals we can make now to move closer to resolution on those issues.

Q When do you submit the budget?

DIRECTOR RAINES: First week of February.

Q You all are here for a reason, I wonder if I could get somebody - Mr. Raines or Gene to simply deal with this unspoken, unasked, but answer a lame duck question straight up, because that's what this is all about, I assume. What's your impression of those assessments? The fast track signaled the end of all this success. Now we're into a different kind of a period.

DIRECTOR RAINES: Well, I'm sort of the new guy here, but I remember when I was appointed to this office people asked me why are you going in there. This was last April. And they said he's a lame duck, isn't he? The President - we've got a Republican Congress - how in the world can anything happen.

I would just hold up the last year as testament that anytime anyone calls this President a lame duck, he seems to have a very good following year; so I'm not concerned about that. We have an enormous - an enormous opportunity to pursue the President's program, and I expect we'll be as successful in this coming year as we were in the last year.

This past year has probably been the largest change in fiscal and domestic economic policy that we've seen in 30 years. And we're seeing the results in the economy that continues to grow and produce jobs at low inflation. We're seeing the results in improved fiscal policy, lower deficits. I think we couldn't have seen a better year and I expect that we'll continue to see one. This is an opportunity for this entire administration to continue to produce. Indeed, I think if we focus on the 15 bills that I mentioned

M2 PRESSWIRE November 21, 1997

- and there could be another 15 I could have mentioned that are not appropriations bills - you would see this is one of the most productive sessions of Congress that we've had in a long time.

Q And you're staying on?

DIRECTOR RAINES: Me? Oh, absolutely. What else would you do other than be OMB Director?

Q Well, there are so many rumors every other day that you're leaving.

DIRECTOR RAINES: Me? No. I think you - you're confusing me with somebody else.

Q No. I know you. (Laughter.)

DIRECTOR RAINES: No, no, no. I have - the OMB troops are here. We're going to produce the President's budget, and we'll be here to give you all these wonderful briefings in the future.

Q Oh, God. (Laughter.)

Q I have a question for Gene or for Janet, which is about Korea, whether or not you're watching what's going on in Korea, and whether or not the U.S. will participate in any sort of bailout funds for Korea?

MR. SPERLING: Obviously, we're always watching, particularly the Treasury Department, and obviously Deputy Secretary Summers is going to Manila as part of the deputy finance ministers. So, it's never - we're always watching and it almost never does any good to say anything - speculate or say anything about these situations.

Q Did the cutoff of the IMF funding create a problem for the administration in participating in discussions -

MR. SPERLING: I think Erskine's already answered it, so -

Q Gene, you're close to a lot of House Democrats. Is it your sense that some of the problems are related or isolated strictly to the issue of trade, or are there broader concerns in the relationship that the White House should be moving to correct?

MR. SPERLING: I think trade in the House is always going to be a tough issue. And I think that it was always going to be difficult. There were real differences of opinion, and I don't think they have much to do with the timing of the President's term or anything else. That was always going to be a tough battle. I think that there are plenty of things that are going to unite Democrats going forward. I think, certainly, education, certainly children's issues, including child care; certainly tobacco. So I think that there will be - I think you'll see Democrats fighting together on many fronts, but as Erskine said, when we - in order to get something done, you ultimately have to be able to work in a bipartisan way, and whenever we see that opportunity, our goals to - we're going to try to do that.

M2 PRESSWIRE November 21, 1997

Q On the issue of fairness as it relates to entitlement reform, I guess this is directed to the OMB Director, again. Are you speaking in terms of perhaps means testing Medicare or something along that line if you're concerned about future solvency and how to address that issue?

DIRECTOR RAINES: Well, as you know, we have had - we had discussion in the balanced budget negotiations about the structure of Medicare and in that case, there were discussions about how the premiums might be adjusted for those with the highest income. And those did not happen as part of that reform, although we did manage to extend the life of the Medicare system for 10 to 12 years. We are going to be appointing a Medicare commission next month, and these issues will be on their agenda for them to make recommendations to the President and Congress.

MR. TOIV: Just one last thing. The President has signed into law - Frank you'll be interest to hear this - the President has signed into law the sixth and final continuing resolution for fiscal year 1998.

Q How far does that go?

MR. TOIV: This extends to the 26th of November. This gives the Congress enough time to process the bills and get them over here and gives the White House enough time to review the bills before the President acts on them. And that's it.

THE PRESS: Thank you.

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Following is a transcript of remarks made by President Clinton and First Lady Hillary Rodham Clinton today at the Adoption Bill signing:

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## The East Room

1:53 P.M. EST

MRS. CLINTON: Thank you and welcome to the East Room. Please be seated. We are delighted to have all of you join us today for this very important event and one that many of you in this room have worked for and looked for for many years.

There are some people that I would like to acknowledge and introduce before we get started. You will hear from the four members of Congress who are here on the stage, Representative Kennelly, Representative Camp, Senator Chafee and Senator Rockefeller. Also attending are Senator Craig, Senator DeWine, Senator Landrieu, Representative Levin, Representative Oberstar, Representative Maloney, and Representative Morella. And I'd like to ask all the members of Congress to please stand. (Applause.)

This was truly a bipartisan piece of legislation. It could not have been passed without the strong support of the members whom you see, including the sponsors who are here on the stage. It was also a work that was very much in the heart of Secretary Donna Shalala and her team from HHS -- Richard Tarplin, Mary Bourdette, and Carol Williams. And I'd like to ask the Secretary and her team to stand please. (Applause.)

There were also a number of members of the White House staff who worked very hard with members of Congress and with members of the HHS contingent, and I'd like to acknowledge just a few of them -- John Hilley, Bruce Reed, Elena Kagan, and in particular Jen Klein and Nicole Rabner. I want to thank all of them. (Applause.)

I'm also pleased that we have Governor Romer of Colorado. We have children, families, advocates, and leaders of the child welfare constituency here in our audience.

Nearly a year ago, the President and I met with children waiting in the foster care system for caring families to call their own. There the President pledged to reform the child welfare system to work better for the children it serves, to put their health and safety first, and to move children more quickly into safe and permanent homes. Today we as a nation make good on that pledge.

And for the thousands of American children who wait for a stable, loving home that will always be there, it is not a moment too soon. Right now there are nearly half a million children in foster care. For most, foster care is a safe haven on the road to a permanent home or back home. Too many, however, make countless detours along the way, shuffling from family to family without much hope that they will ever find permanent parents to love and take care of them. These children who will enter this holiday season unsure about whether the family they celebrate this year will be there with them next year deserve better.

We know it makes a difference for children to have permanent loving homes. It's not only research that tells us this; we know it by our intuition, by our own experience and we have all seen it firsthand. It was here in this room two years ago that a young woman named Deanna -- a child waiting to be adopted in foster care stood up and read a poem about what she wanted in life, and it wasn't real complicated. It is what all of us want. I'm happy that because

U.S. Newswire, November 19, 1997

of that event here in the East Room, she was able to meet a family who did adopt her. And I saw her last year at an event in Kansas City and almost didn't recognize her -- from a shy, withdrawn 13-year-old, she had blossomed into a cheerful, outgoing, confident teenager with a brilliant smile.

This landmark legislation that the President is about to sign will see to it there are more stories like Deanna's. This legislation stands as proof of what we can accomplish when we come together. As we see today, the national government does have an important role to play in reforming our foster care system, and giving guidance to courts and states in offering incentives to speed up and increase the numbers of adoptions, and in making sure that the health and safety of our children is always the first priority.

But we know even more, all Americans have a role and a responsibility. Businesses can make it easier for their employees to adopt a child. And I want to single out Dave Thomas of Wendy's, who has led the way in showing all of us how that can be done. (Applause.)

Religious leaders can help spread the word about the joys of adoptions. Parents thinking about adoption can expand their search to reach out to kids in foster care. And if we reform the system so that it works the way that it should, more Americans will look to American children to adopt and not feel compelled to go overseas to adopt children. (Applause.)

With us today are some extraordinary Americans who have answered this call. This morning, the Department of Health and Human Services observed National Adoption Month by honoring outstanding achievements with the 1997 Adoption 2002 Excellence Awards. Secretary Shalala developed these awards at the request of the President. The winners are dedicated individuals and organizations, both large and small, who have worked to move children out of the foster care system and into permanent, loving homes. Some of them have been at the forefront of this issue for years; some have promoted and supported adoption in their communities; and some are parents who have opened their homes and hearts to our nation's most vulnerable children.

I'd like to ask all the honorees who were honored this morning to please stand. (Applause.) We want to thank you for the work you have done, for the example you have set. And we hope that through these awards, in conjunction with this legislation, there will be many, many more in your ranks in the years to come.

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THE PRESIDENT: Thank you, Sue Ann. Thank you, Aaron (phonetic). And I want to thank the Badeau family for showing up. I think it's fair to say it was a greater effort for them than for anyone else here. (Laughter.) I appreciate the rest of your presence. It was easier for me than anybody; I just had to come downstairs. (Laughter.) But I'm grateful that they're here.

Secretary Shalala, I thank you and your staff for your remarkable work on this. And I thank the members of the White House staff, all the members of Congress who are present here. And especially I thank Senators Rockefeller and Chafee and Congressmen Camp and Kennelly for their work and for what they said here.

Congratulations to the Adoption 2002 Excellence Award winners. I thank

U.S. Newswire, November 19, 1997

all the advocates who are here. And I say a special word of thanks, along with all the others who have said it, to the First Lady, who has been passionately committed to this issue for at least 25 years now that I know. Thank you, Governor Romer, for coming. And thank you, Dave Thomas, for what you've done.

Again let me say to all the members of Congress who are here, Republicans and Democrats alike, I am very grateful for what you've done. This, after all, is what we got in public life for, isn't it?

Before I make my brief remarks, if you'll forgive me and understand, I have to make one public statement today about the situation in Iraq.

As I have said before, I prefer to resolve this situation peacefully, with our friends and allies, and I am working hard to do just that. But I want to be clear again about the necessary objective of any diplomacy now underway. Iraq must comply with the unanimous will of the international community and let the weapons inspectors resume their work to prevent Iraq from developing an arsenal of nuclear, chemical and biological weapons. The inspectors must be able to do so without interference. That's our top line; that's our bottom line. I want to achieve it diplomatically. But we're taking every step to make sure we are prepared to pursue whatever options are necessary.

I do not want these children we are trying to put in stable homes to grow up into a world where they are threatened by terrorists with biological and chemical weapons. It is not right. (Applause.)

It's hard to believe now, but it was just a little less than a year ago when I directed our administration to develop a plan to double the number of children we move from foster care to adoptive homes by the year 2002. We know that foster parents provide safe and caring families for children. But the children should not be trapped in them forever, especially when there are open arms waiting to welcome them into permanent homes.

The Adoption and Safe Families Act, which I am about to sign, is consistent with the work of the 2002 report and our goals. It fundamentally alters our nation's approach to foster care and adoption. And fundamentally, it will improve the well-being of hundreds of thousands of our most vulnerable children. The new legislation makes it clear that children's health and safety are the paramount concerns of our public child welfare system. It makes it clear that good foster care provides important safe havens for our children, but it is by definition a temporary, not a permanent, setting.

The new law will help us to speed children out of foster care into permanent families by setting meaningful time limits for child welfare decisions, by clarifying which family situations call for reasonable reunification efforts and which simply do not. It will provide states with financial incentives to increase the number of children adopted each year. It will ensure that adopted children with special needs never lose their health coverage -- a big issue. Thank you, Congress, for doing that. It will reauthorize federal funding for timely services to alleviate crisis before they become serious, that aid the reunification of families that help to meet post-adoption needs.

With these measures we help families stay together where reunification is possible and help find safe homes for children much more quickly when it is

U.S. Newswire, November 19, 1997

not. We've come together in an extraordinary example of bipartisan cooperation to meet the urgent needs of children at risk. We put our differences aside, and put our children first.

This landmark legislation builds on other action taken in the last few years by Congress: the Adoption Tax Credit I signed into law August to make adopting children more affordable for families, especially those who adopt children with special needs; the Multiethnic Placement Act, enacted two years ago, ensuring that adoption is free from discrimination and delay, based on race, culture, or ethnicity; and the very first law I signed as President, the Family and Medical Leave Act of 1993, which enables parents to take time off to adopt a child without losing their jobs or their health insurance.

We have put in place here the building blocks of giving all of our children what should be their fundamental right -- a chance at a decent, safe home; an honorable, orderly, positive upbringing; a chance to live out their dreams and fulfill their God-given capacities.

Now, as we approach Thanksgiving, when families all across our country come together to give thanks for their blessings, I would like to encourage more families to consider opening their homes and their hearts to children who need loving homes. You may not want to go as far as the Badaeus have -- (laughter) -- but they are a shining example of how we grow -- (applause) -- they are a shining example of how we grow when we give, how we can be blessed in return many times over. We thank them and all -- all of the adoptive parents in the country.

For those who are now or have been foster or adoptive parents, I'd like to say thank you on behalf of a grateful nation, and again say at Thanksgiving, let us thank God for our blessings and resolve to give more of our children the blessings they deserve.

Thank you very much. (Applause.)  
END 2:19 P.M. EST

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FDCH Political Transcripts

November 19, 1997, Wednesday

TYPE: NEWS EVENT

LENGTH: 1035 words

HEADLINE: DELIVERS REMARKS ON ADOPTION; WASHINGTON, D.C.

FDCH Political Transcripts, November 19, 1997

SPEAKER:

HILLARY CLINTON, FIRST LADY OF THE UNITED STATES

BODY:

FIRST LADY HILLARY CLINTON DELIVERS REMARKS ON ADOPTION

NOVEMBER 19, 1997

SPEAKERS: HILLARY CLINTON, FIRST LADY OF THE UNITED STATES

\*

(APPLAUSE)

CLINTON: Thank you. Thank you, and welcome to the East Room.

Please be seated. We are delighted to have all of you join us today for this very important event and one that many of you in this room have worked for and look toward for many years. There are some people that I would like to acknowledge and introduce before we get started.

You will hear from the four members of Congress who are here on the stage -- Representative Kennelly, Representative Camp, Senator Chafee and Senator Rockefeller. Also attending are Senator Craig, Senator DeWine, Senator Landrieu, Representative Levin, Representative Oberstar, Representative Maloney and Representative Morella. And I'd like to ask all the members of Congress to please stand.

(APPLAUSE)

This was truly a bipartisan piece of legislation. It could not have been passed without the strong support of the members whom you see, including the sponsors, who are here on the stage. It was also a work that was very much in the heart of Secretary Donna Shalala and her team from HHS -- Rich Tarplin, Mary Burdette (ph) and Carol Williams. And I'd like to ask the secretary and her team to stand please.

(APPLAUSE)

There were also a number of members of the White House staff who worked very hard with members of Congress and with members of the HHS contingent, and I'd like to acknowledge just a few of them. John Hilley, Bruce Reed, Elena Kagan, and in particular Jen Klein and Nicole Radner (ph). I want to thank all of them.

(APPLAUSE)

I'm also pleased that we have Governor Romer of Colorado. We have children, families, advocates and leaders of the child welfare constituency here in our audience.

Nearly a year ago, the president and I met with children waiting in the foster care system for caring families to call their own. There the president pledged to reform the child welfare system to work better for the children it serves, to put their health and safety first, and to move children more

quickly into safe and permanent homes. Today we as a nation make good on that pledge.

And for the thousands of American children who wait for a stable, loving home that will always be there, it is not a moment too soon. Right now there are nearly half a million children in foster care. For most, foster care is a safe haven on the road to a permanent home or back home.

Too many, however, make countless detours along the way, shuffling from family to family without much hope that they will ever find permanent parents to love and take care of them.

These children, who will enter this holiday season unsure about whether the family they celebrate this year will be there with them next year, deserve better. We know it makes a difference for children to have permanent, loving homes. It's not only research that tells us this; we know it by our intuition, by our own experience, and we have all seen it first hand.

It was here in this room two years ago that a young woman named Deanna (ph), a child waiting to be adopted in foster care, stood up and read a poem about what she wanted in life, and it wasn't real complicated. It is what all of us want.

I'm happy that because of that event here in the East Room, she was able to meet a family who did adopt her. And I saw her last year at an event in Kansas City and almost didn't recognize her. From a shy, withdrawn 13-year-old, she had blossomed into a cheerful, outgoing, confident teenager with a brilliant smile.

This landmark legislation that the president is about to sign will see to it there are more stories like Deanna's (ph). This legislation stands as proof of what we can accomplish when we come together.

CLINTON: As we see today, the national government does have an important role to play in reforming our foster care system, and giving guidance to courts and states in offering incentives to speed up and increase the numbers of adoption, and in making sure that the health and safety of our children is always the first priority.

But we know even more: All Americans have a role and a responsibility. Businesses can make it easier for their employees to adopt a child. And I want to single out Dave Thomas of Wendy's who has led the way in showing all of us how that can be done.

(APPLAUSE)

Religious leaders can help spread the word about the joys of adoption. Parents thinking about adoption can expand their search to reach out to kids in foster care. And if we reform the system so that it works the way that it should, more Americans will look to American children to adopt and not feel compelled to go overseas to adopt children.

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I'd like to ask all the honorees who were honored this morning to please stand.

(APPLAUSE)

We want to thank you for the work you have done, for the example you have set. And we hope that through these awards in conjunction with this legislation, there will be many, many more in your ranks in the years to come.

Now, I'm pleased and honored to call on members of Congress who have led the way to this piece of legislation. They will speak in the following order. Congresswoman Kennelly, Congressman Camp, Senator Chafee and Senator Rockefeller.

END

NOTES:

???? - Indicates Speaker Unkown  
- Could not make out what was being said.  
off mike - Indicates Could not make out what was being said.

LANGUAGE: ENGLISH

LOAD-DATE: November 19, 1997

LEVEL 1 - 97 OF 166 STORIES

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November 14, 1997 15:13 Eastern Time

SECTION: NATIONAL DESK

LENGTH: 1614 words

HEADLINE: Transcript of White House Press Briefing by Berger, Bowles (4 of 4)

U.S. Newswire, November 14, 1997

CONTACT: White House Press Office, 202-456-2100

DATELINE: WASHINGTON, Nov. 14

## BODY:

Following is a transcript of a White House press briefing by Chief of Staff Erskine Bowles; National Security Advisor Samuel Berger; Office of Management and Budget Director Franklin Raines; Gene Sperling, assistant to the president for economic policy; Janet Yellin, chair of the council of economic advisors; and Elena Kagan, deputy assistant to the president for domestic policy (4 of 4):

Q How are you coming along in preparing the budget for the next --

DIRECTOR RAINES: We are in the process now of reviewing the proposals from the agencies and the President will be making his decisions in December for the 1999 budget.

Let me say one thing in following up what Erskine said. The President presented his budget in February. Since that time, 15 very important bills have passed to implement that budget: the tax cut bill, the balanced budget bill and 13 appropriations bills. And just as the President said, that his plan presented in February would lead us to a balanced budget, indeed, it will lead us to a balanced budget, and just as he said that it would implement his priorities, indeed, through that, those 15 bills that Congress has enacted on a bipartisan basis, the President's program has, in fact, been enacted whether you look at education, or you look at the support for families in raising their kids, or if you look at the environment, you will see that the President's program has been enacted.

The important part of this isn't simply that we said so in February, but if you look one year ago, one year ago, the conventional wisdom was that the struggle with the Republican Majority where we were so far apart on priorities, would inevitably lead to a clash and no results. And if it didn't lead to a clash, it would lead to the President having to retreat from his priorities and principles.

But if you match up the President's budget and the Republican plan of last year to what has actually happened, case after case, what the President has proposed has actually been enacted into law, so we're no longer at the stage of speculating as to whether or not we could achieve this. In fact, through the enactment of 15 separate bills, the President's plan is now the law of the land.

Q Speaker Gingrich yesterday said he wouldn't be surprised if the President embraces eliminating the marriage tax penalty. Given the White House is looking at the budget surplus and ways in which perhaps the tax code could be changed, is that one option that you're entertaining?

DIRECTOR RAINES: As all of us have tried to say, that we don't want to spend a surplus before its time, so we would prefer to see any surplus arrive before we had conclusions on how to spend it. But we are looking, as part of this policy process -- and this is the National Economic Council as well as OMB and the Council of Economic Advisors -- at a broad range of policy initiatives that the President can address in his State of the Union Address and in his budget. And so we're looking at a broad range of things, and I think that just as people were impressed by the array of proposals that he made this last

U.S. Newswire, November 14, 1997

January, I think they'll be impressed by his state of the union speech this coming January.

Q -- issue in terms of tax fairness?

DIRECTOR RAINES: Well, there are a lot of issues in our tax system that the President has spoken to. We have managed to deal with several of them in terms of the incentives in the tax system for education and for raising kids. But there are issues of tax equity that he is quite concerned about, and he has asked all of us to look at those issues as well as the issues of long-term entitlements to see what kinds of proposals we can make now to move closer to resolution on those issues.

Q When do you submit the budget?

DIRECTOR RAINES: First week of February.

Q You all are here for a reason, I wonder if I could get somebody -- Mr. Raines or Gene to simply deal with this unspoke, unasked, but answer a lame duck question straight up, because that's what this is all about, I assume. What's your impression of those assessments? The fast track signaled the end of all this success. Now we're into a different kind of a period.

DIRECTOR RAINES: Well, I'm sort of the new guy here, but I remember when I was appointed to this office people asked me why are you going in there. This was last April. And they said he's a lame duck, isn't he? The President -- we've got a Republican Congress -- how in the world can anything happen.

I would just hold up the last year as testament that anytime anyone calls this President a lame duck, he seems to have a very good following year; so I'm not concerned about that. We have an enormous -- an enormous opportunity to pursue the President's program, and I expect we'll be as successful in this coming year as we were in the last year.

This past year has probably been the largest change in fiscal and domestic economic policy that we've seen in 30 years. And we're seeing the results in the economy that continues to grow and produce jobs at low inflation. We're seeing the results in improved fiscal policy, lower deficits. I think we couldn't have seen a better year and I expect that we'll continue to see one. This is an opportunity for this entire administration to continue to produce. Indeed, I think if we focus on the 15 bills that I mentioned -- and there could be another 15 I could have mentioned that are not appropriations bills -- you would see this is one of the most productive sessions of Congress that we've had in a long time.

Q And you're staying on?

DIRECTOR RAINES: Me? Oh, absolutely. What else would you do other than be OMB Director?

Q Well, there are so many rumors every other day that you're leaving.

DIRECTOR RAINES: Me? No. I think you -- you're confusing me with somebody else.

Q No. I know you. (Laughter.)

DIRECTOR RAINES: No, no, no. I have -- the OMB troops are here. We're going to produce the President's budget, and we'll be here to give you all these wonderful briefings in the future.

U.S. Newswire, November 14, 1997

Q Oh, God. (Laughter.)

Q I have a question for Gene or for Janet, which is about Korea, whether or not you're watching what's going on in Korea, and whether or not the U.S. will participate in any sort of bailout funds for Korea?

MR. SPERLING: Obviously, we're always watching, particularly the Treasury Department, and obviously Deputy Secretary Summers is going to Manila as part of the deputy finance ministers. So, it's never -- we're always watching and it almost never does any good to say anything -- speculate or say anything about these situations.

Q Did the cutoff of the IMF funding create a problem for the administration in participating in discussions --

MR. SPERLING: I think Erskine's already answered it, so --

Q Gene, you're close to a lot of House Democrats. Is it your sense that some of the problems are related or isolated strictly to the issue of trade, or are there broader concerns in the relationship that the White House should be moving to correct?

MR. SPERLING: I think trade in the House is always going to be a tough issue. And I think that it was always going to be difficult. There were real differences of opinion, and I don't think they have much to do with the timing of the President's term or anything else. That was always going to be a tough battle. I think that there are plenty of things that are going to unite Democrats going forward. I think, certainly, education, certainly children's issues, including child care; certainly tobacco. So I think that there will be -- I think you'll see Democrats fighting together on many fronts, but as Erskine said, when we -- in order to get something done, you ultimately have to be able to work in a bipartisan way, and whenever we see that opportunity, our goals to -- we're going to try to do that.

Q On the issue of fairness as it relates to entitlement reform, I guess this is directed to the OMB Director, again. Are you speaking in terms of perhaps means testing Medicare or something along that line if you're concerned about future solvency and how to address that issue?

DIRECTOR RAINES: Well, as you know, we have had -- we had discussion in the balanced budget negotiations about the structure of Medicare and in that case, there were discussions about how the premiums might be adjusted for those with the highest income. And those did not happen as part of that reform, although we did manage to extend the life of the Medicare system for 10 to 12 years. We are going to be appointing a Medicare commission next month, and these issues will be on their agenda for them to make recommendations to the President and Congress.

MR. TOIV: Just one last thing. The President has signed into law -- Frank you'll be interest to hear this -- the President has signed into law the sixth and final continuing resolution for fiscal year 1998.

Q How far does that go?

MR. TOIV: This extends to the 26th of November. This gives the Congress enough time to process the bills and get them over here and gives the White House enough time to review the bills before the President acts on them. And

U.S. Newswire, November 14, 1997

that's it.

THE PRESS: Thank you.  
END 3:36 P.M. EST

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LEVEL 1 - 98 OF 166 STORIES

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November 14, 1997 15:13 Eastern Time

SECTION: NATIONAL DESK

LENGTH: 1392 words

HEADLINE: Transcript of White House Press Briefing by Berger, Bowles (3 of 4)

CONTACT: White House Press Office, 202-456-2100

DATELINE: WASHINGTON, Nov. 14

BODY:  
Following is a transcript of a White House press briefing by Chief of Staff Erskine Bowles; National Security Advisor Samuel Berger; Office of Management and Budget Director Franklin Raines; Gene Sperling, assistant to the president for economic policy; Janet Yellin, chair of the council of economic advisors; and Elena Kagan, deputy assistant to the president for domestic policy (3 of 4):

Q Sandy, is it a concern that everything that can be done to Saddam has been done? He's lived through sanctions for six and a half years, we've hit him repeatedly with air strikes, and none of this has done much good.

MR. BERGER: Well, I think that's -- I'm not sure I accept that judgment. The fact is that Saddam has been kept in a box, in a sense, for this six-year period. The sanctions, which are the most pervasive sanctions every imposed on a nation in the history of mankind, have cost his country \$100 billion. Now, every year or so, Saddam Hussein tries to break out of that containment box, either by moving toward the south as he's done in some instances, moving in the north as he's done in other instances; in this case, throwing out the international inspectors. And what the international community has to do is to be, once again, absolutely clear and firm that is not acceptable behavior -- that he remains a threat and the only way out for him is to come into compliance.

Q But if I can follow up on that, the point of the question is, there isn't much more we could do at this point.

MR. BERGER: Well, I think that we have, as I said before, we have

U.S. Newswire, November 14, 1997

maintained for six years, since the end of the Gulf War, we have kept Saddam Hussein contained. We have done an enormous amount to destroy his weapons of mass destruction through UNSCOM. We have stopped him when he has tried to move again towards Kuwait. And I think we have to -- this is going to be a long-term enterprise on the part of the international community to assure that he does not, once again, become a threat to his neighbors or a threat to the region or a threat to his own people.

Q Is it long-term U.S. policy -- not U.N. policy, but U.S. policy -- to see Saddam removed from power, and is there any possibility of using this current crisis to achieve some more long-term resolutions so that we don't have this sort of episodic annual round of crises?

MR. BERGER: Well, it is American policy to assure that the very least he is not a threat to his neighbors or a threat to his own people. That policy has more or less been successful over the last six years. And I think we have to be prepared when he tries, as he has in a very insidious way in this case to break out of that box to make it very clear that is not something that we'll tolerate.

Q Just to follow up on John's question. Did the President intend to kind of move the goalposts this morning when he said that the sanctions will be kept in place as long as Saddam is in power, as long as he lasts, as he put it? Is it his opinion that the sanctions will not be lifted ever as long as Saddam is in power, whatever he does, even if he were to comply?

MR. BERGER: Let Saddam Hussein come into compliance, and then we can discuss whether there are any circumstances.

Q But, Sandy, for the record, can you say from this podium that if he were

--

MR. BERGER: It has been our position consistently that Saddam Hussein has to comply with all of the relevant Security Council resolutions for the sanctions.

Q But can you say for the record, that were he to comply -- I know that the point is moot for you at this point, but were he to comply with the sanctions, the U.S. would not block the U.N. from lifting the sanctions?

MR. BERGER: I don't think under these circumstances, when he is blatantly out of compliance it is the right time for us to talk about how we lift the sanctions. We're not going to negotiate lifting the sanctions at a time when he is in blatant disregard, not only of the sanctions, but also of the Security Council resolutions.

Q It's not a matter of negotiating, it's a point that we're asserting what is in the resolution. They said that if he complies -- that he has complied, the sanctions would be lifted. Is it the U. S. position right now that they would be lifted, or would you oppose such a move?

MR. BERGER: It has been the U.S. position since the Bush administration that Saddam Hussein has to comply with all of the relevant Security Council resolutions.

Q Not to belabor a quote, but what the President said is what he has just

U.S. Newswire, November 14, 1997

done is to ensure that the sanctions will be there until the end of time, or as long as he lasts.

MR. BERGER: Well, that's right. That's not inconsistent with what I've said. In other words, there's no way --if he's got to be in compliance, he can't be in compliance if he's thrown the UNSCOM people out. So it's a necessary condition; it may not be a sufficient condition.

He certainly cannot come into compliance when he's thrown the U. N. inspectors out. And as long as they're out, there's no way we can have an argument about whether he's in compliance.

Q As the President's National Security Advisor, how concerned are you and how concerned ought the American people be about the fact that we are now, for all intents and purposes, blind in Iraq to what he can do with those weapons of mass destruction?

MR. BERGER: Let me put it this way. I don't believe that he can redo -- the UNSCOM inspectors have been extraordinarily successful over the last six years, and a large portion of Saddam's weapons of mass destruction have been identified and destroyed. I don't believe that he can redo in a few weeks what UNSCOM has destroyed over six years. But certainly, left to his own devices over a long period of time without international inspection, it is a danger.

Q Sandy, could you reassure the public that the United States has the intelligence and the military capacity to destroy Iraq's ability to deliver weapons of mass destruction, or are we limited in what we can do even if we wanted to?

MR. BERGER: I don't think it's appropriate for me to talk about what our military capacity is or not. I think that's a mistake.

Q Sandy, have you made any headway with --

Q What would the justification be -- Mike McCurry said again here today that although you and the President, Madeleine Albright are all working trying to get support from allies, support from the U.N., if necessary, the President could act unilaterally and he could do so legally? Can you explain that? Would it be because any nation has a right to protect itself and could the President argue that Saddam Hussein is a threat to the United States?

MR. BERGER: There is a body of U.N. Security Council resolutions that go back for six years which, our view, confers all the authority that we would need. But obviously, it is our first preference to resolve this without -- by diplomacy and peaceful means, and that's what we are engaged in over the next several days in terms of trying to work with our allies, some of whom have more contact with Saddam Hussein than we do, to make it clear that the international community is resolute with respect to this breach.

Q How can the French government make itself useful to the international effort at this point? What would you like to see from Paris?

MR. BERGER: I think the government of France, as other governments, need to convey -- hopefully will convey and I believe have conveyed to Saddam Hussein that he is totally outside the realm of any kind of acceptability from the international community when he throws out these inspectors, and that the only

U.S. Newswire, November 14, 1997

way that he can get back into any kind of dialogue with the international community is by coming back -- by allowing those inspectors back.

MR. TOIV: We still have Gene Sperling, Frank Raines, Janet Yellin and Elena Kagan here to answer any further questions about the year-end report.

MR. MCCURRY: Why don't you all come up?

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LEVEL 1 - 99 OF 166 STORIES

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November 14, 1997 15:13 Eastern Time

SECTION: NATIONAL DESK

LENGTH: 1557 words

HEADLINE: Transcript of White House Press Briefing by Berger, Bowles (2 of 4)

CONTACT: White House Press Office, 202-456-2100

DATELINE: WASHINGTON, Nov. 14

BODY:

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Q Erskine, the fast track debate revealed not only some differences of principle over trade between House Democrats and the White House, but there are also a lot of signs of personal resentment and tension and a lot of ill will on their part or feelings that they weren't appreciated here, the larger relationship between House Democrats and the White House is what I'm talking about. How much of a concern is that to you and the President, and is there anything you plan to do about it?

MR. BOWLES: I think some of that has been overblown, John. I think if you look at the votes that we've had this year, whether it is in the balanced budget where we had between two-thirds and three-quarters of the Democrats voting with us, if you even look at the trade issue where it passed with the majority of Democrats in the Senate where it had the support of the majority of governors, the majority of the mayors, if you look at our positions on education, on health care, on welfare to work, on any number of issues, on tobacco, on some of the issues that we will face next year, I think you can see that there is broad consensus among the Democratic Party.

U.S. Newswire, November 14, 1997

Only in the area of trade, I believe, and I think it is a very distinct area, has there been somewhat of a schism. And what we are going to try to do over the next couple of months is work hard to make sure we bring ourselves together so that we can have a bill that gets broader bipartisan support.

Q Erskine, why weren't you able to at least round up votes in the new Democratic Caucus? It seems of all the Democrats who should have supported free trade, you would have been able to round up all those votes.

MR. BOWLES: Karen, I hope that we can do a better job in rounding up support for it as we go forward. We were able to get about a quarter of the Democratic Caucus to come forward and support it. We hope if we can make some modifications to the bill that it will make it more acceptable to a larger number of Democrats and we can get their support.

Q Erskine, you were talking about the IMF and how you might try and take care of this next year. There are some crises going, however, in Asia that might prevent you from being able to do that. Yesterday they said Capitol Hill estimated it would require about \$50 billion to bail out Korea if that becomes necessary. So if they just cut off part of your IMF funding, will that force you to use the currency stability fund?

MR. BOWLES: In the discussions I have had with Secretary Rubin and Deputy Secretary Summers, they feel comfortable that we can manage the problems that we now face and we expect to be able to go back in the first part of the next legislative session and, hopefully, secure the funding for the IMF and, in addition, get the funding that we need for the U.N. arrears. Both of these should have passed this time. I think the fact that they were linked to international family planning just makes no sense whatsoever.

Q Erskine, you said that you are looking to alter the bill that was out there. Are you looking at this point in offering a broader bill or might you do -- what is the likelihood that you do a fast track bill that is more narrowly tailored to a specific idea such as a treaty with Chile?

MR. BOWLES: We haven't made a decision on that yet.

Q Erskine, the President --

Q Back to Bill Lann Lee -- you were saying that he is going to be the next civil rights enforcer and you say unequivocally. But are you kind of fearful -- is the White House fearful that there could be some retaliatory measures from Congress if there is a recess appointment?

MR. BOWLES: This is a matter that the President believes in strongly. He has supported the principle of civil rights his entire career. Bill Lann Lee is somebody who is qualified, who deserves to be Assistant Attorney General for Civil Rights, who will make a great representative for this country, and he should be and he will be.

Q So you're not fearful of congressional retaliation?

MR. BOWLES: No.

Q Erskine, the President started out the year with a very strong call for bipartisanship that prevailed through part of the year -- Bill Lann Lee and so on. Has bipartisanship totally broken down in Congress?

U.S. Newswire, November 14, 1997

MR. BOWLES: No, and I think there is a good deal of opportunity for additional bipartisan efforts, whether it's in the international area or whether it's on selected domestic issues.

When we can put together a bipartisan coalition, we want to do that. We think that's in the best interest of the American people. They want to see us get things done and not just talk about things. I think if you look at that laundry list of issues that I went through, whether it was achievement of some real fiscal responsibility in this country, whether it was in the area of education, whether it was in the area of environment, whether it was in the area of moving people from welfare to work, tax relief for middle class families, there was broad bipartisan support for each one of those, and we worked hard to achieve that.

Q When your appearance was billed here, we were told that you were also going to project what the President would be seeking in the future. In addition, I suppose, to fast track, are there any new initiatives?

MR. BOWLES: I think there are a number of things that you can expect to see us working on as we go forward. First, we do want to make sure that we do open up markets for U.S. goods, so we will come back with some fast track legislation. Secondly, we are going to work again to have some real campaign finance reform. Thirdly, we will work again to pass a strong juvenile justice bill. We do want to secure the U.N. arrearages into funding for the IMF.

In the area of new things that we'll be exploring, I think you will look at us trying to advance our education agenda, stressing the importance of high national standards and infrastructure needs that our schools face today. I think you'll see us working on a consumer bill of rights. You'll see us very active with the tobacco legislation. I think you'll see us moving forward with health care and pension portability, child care initiatives, reforming the Medicare and Social Security needs of this country and trying to solve a structural long-term areas of -- let me bring Sandy up because he's got to leave in just a minute, to talk to you a little bit about --

Q Reform of the tax code -- you know, are you settled?

MR. BERGER: Are there any questions? I have a long statement here about accomplishments in the foreign policy area, but let me answer some questions.

Q Sandy, one thing. With the President's diplomacy, is it your sense that the problem here and that what the President and the administration has to do is convince everybody else in the world that Saddam is as big a threat as you apparently believe he is?

MR. BERGER: No, I think the international community has spoken quite clearly over the last two days. And first, the U.N. Security Council resolution, than last night in the unanimous statement after he decided to throw out the Americans -- UNSCOM inspectors -- indeed, in practical effect, all of the inspectors. So I think there is a clear base of understanding in the international community that this is a threat, that he has the -- certainly has demonstrated the intent to use these weapons, and if he has an unfettered capacity to do so, it's a threat not only to his neighbors but to the world. And we are now engaged in talking, consulting with our allies and friends on how we intensify the pressure on Saddam Hussein to get the same message.

U.S. Newswire, November 14, 1997

Q Well, isn't there disagreement, though, on how much pressure should be exercised and whether or not it's worth going all the way?

MR. BERGER: I think there is a clear feeling on the part of the international community that this is a threat, this is a serious matter, that this poses a risk to the region and a risk to the world, and I'm not going to speculate on where -- what steps may proceed.

Q The military moves are fairly obvious for us to gauge. They say we're moving a second carrier in. The diplomatic moves are harder for us to ascertain. Can you tell us what it is that precisely that you're trying to accomplish, what the Secretary of State is trying to accomplish, what the President is trying to accomplish, when we call France or Russia or Great Britain or whomever?

MR. BERGER: We are consulting with our allies on how we intensify the pressure on Saddam Hussein and what should take place if he doesn't reverse himself.

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November 14, 1997 15:13 Eastern Time

SECTION: NATIONAL DESK

LENGTH: 2601 words

HEADLINE: Transcript of White House Press Briefing by Berger, Bowles (1 of 4)

CONTACT: White House Press Office, 202-456-2100

DATELINE: WASHINGTON, Nov. 14

BODY:  
Following is a transcript of a White House press briefing by Chief of Staff Erskine Bowles; National Security Advisor Samuel Berger; Office of Management and Budget Director Franklin Raines; Gene Sperling, assistant to the president for economic policy; Janet Yellin, chair of the council of economic advisors; and Elena Kagan, deputy assistant to the president for domestic policy (1 of 4):

The Briefing Room

2:49 P.M. EST

MR. BOWLES: I'm going to talk a little bit about the situation in Iraq and we'll take some questions. I think Gene Sperling and Janet Yellin and the Budget what we have accomplished this year and the events of the last week,

U.S. Newswire, November 14, 1997

and then Sandy is going to come up and talk a little bit about the situation in Iraq, and we'll take some questions. I think Gene Sperling and Janet Yellin and the Budget Director and Elena Kagan are all here to take questions on your behalf.

In thinking about this last year, I thought when I came in a little while ago, I thought of my good friend, Dean Smith back in my beloved North Carolina some of the great teams that he's put together over the years, and I remembered one team he had that went 28 and 4. The team practiced hard, they worked hard together, they accomplished some great results and they got to the Final Four and they lost that last game by two points at the end of the game.

And at the end of that game, the team was disappointed, some of the fans and the critics were disappointed. But I think after the game and after things settled down and they reflected on what had gone on during the entire year, they all decided it was a good year and a year they could be proud of, and they looked forward to keeping the team together and practicing hard and coming back next year and seeing if they could win some of those games and beat some of those teams they lost to during the year just completed.

I think it's fair to say that we did have a good year this year. It was a year of progress and achievement. It's also been a year of true bipartisanship and cooperation, and it's a year in which many of us banded together to prepare our country for the 21st century.

I know a number of you want to talk about the hits and misses that occurred during the last week and I promise you we'll get to those and I'll take those questions, but let me talk about briefly some of the things we have accomplished during the last year.

Back in February, the President laid out a clear, ambitious call to action in his State of the Union Address for the second term, and as the Congress is now adjourning, I think the record is clear that we have accomplished a great deal. I would begin with the accomplishment of achievement of the first bipartisan balanced budget in a generation that will produce real savings in excess of \$900 million. That budget was achieved with some real tax cuts for hard-working middle class families at the times when the

need it the most, when they're raising their kids to pay for education, when they're buying or selling a home and saving for retirement.

We also achieved the largest increase in education funding in 30 years. We did this by vastly increasing the money that's being made available for early childhood programs to prepare our kids so they're ready to enter school ready to learn, and also through the expansion of the America Reads program and the establishment of high national standards for 4th grade reading and 8th grade math, so that when our kids graduate from high school, they'll graduate with a diploma that means something and also with the availability now of increased Pell Grants and with the tuition tax credit and with the HOPE Scholarships, that additional two years of education will be universally available, which was a goal the President outlined in the State of the Union.

We also came forward this year with the largest increase in health care

U.S. Newswire, November 14, 1997

for children since Medicaid in 1965, making it possible for as many as 5 million additional kids to have health care insurance -- kids that don't have insurance today -- through an unprecedented \$24 billion for children's health care. We also were able to get forward and pass some critical long-term entitlement reform by taking out and extracting about \$400 billion to \$450 billion worth of savings in the Medicare program that extends the life of the Medicare Trust Fund out for 10 years, and we also established a Medicare Commission, which will allow us to address the long-term structural problems associated with Medicare.

Sixth, we were able to pass provisions that will enable us to move 2 million people from welfare to work and also to restore basic health and disability benefits to legal, law-abiding immigrants, something that the President had promised to do prior to the beginning of this year.

We also took concrete steps forward to preserve the environment, to clean up over 500 toxic waste dumps, and with our Brown Field tax initiatives to redevelop 14,000 contaminated sites within our inner cities. We also were able to get through ozone and particulate matter regulations which will go a long ways toward improving the health of our children, and the U.S. came out with a very strong position on global climate change.

On the foreign policy front, I think we also have a great deal that we can be proud of. We did ratify the Chemical Weapons Convention. We were able to extend normal trading relations with China. We strengthened the NATO Partnership for Peace through the signing of the NATO-Russia Founding Act and by offering membership in NATO to Poland, the Czech Republic and Hungary.

We also negotiated the Information and Technology Agreement and the Telecommunications Agreement on shackling over \$500 billion in trade in sectors where the U.S. already has a very dominant position, and we launched the Africa Free Trade Initiative.

There are also several areas where we did come up short. While we accomplished a great deal, there were four basic areas that we did not reach the potential that we had hoped to. The first was clearly the renewal of fast track trading authority. We did have strong opposition by some members of the Democratic Party, and we also had opposition from some members of the Republican Party who linked their trade vote to international family planning.

We have had a temporary setback there. We do plan to come back next year, hopefully in February, with a bill that can achieve broader bipartisan support. This is something that the President truly believes is critical to the future economic well-being of this country.

The second area where we fell short was in the passage of real campaign finance reform. The Republican congressional leaders blocked the McCain-Feingold bill from coming to a vote. Thank goodness Senator Tom Daschle, the Minority Leader, was able to extract a pledge from Trent Lott to have a clean up or down vote on this measure before March 6th of 1998, so this is another portion of where we fell short. We'll be able to fight the battle again at the beginning of next year.

Third, we were not able to enact a strong juvenile justice bill, which we had hoped to do this year. However, the President was able to use his executive power to make some progress on this central piece of legislation. Many of you

U.S. Newswire, November 14, 1997

may remember that we were able to issue a directive to all federal agencies requiring child safety locks to be issued with every handgun, and we also reached an agreement with eight major handgun manufacturers to provide child safety locks with each handgun that's sold.

And lastly, just the day before yesterday, we were set back in our efforts to attain funding for U.N. arrears and for the new agreements on barring through the IMF -- again, another area where we plan to go back in early February to meet with the Congress and try to see if we can bring this to a successful conclusion.

I think that summarizes what we were able to achieve, where we felt we fell short, and some of the areas where we did fall short and hope to go back on at the beginning of next year. Sandy is now going to come up and take --

Q How about the nominations that have been set back, Surgeon General and civil rights?

MR. BOWLES: There are a number of nominations which didn't come through -- you just mentioned two -- that we have great concern on. We believe that Mr. Satcher will be confirmed to be the Surgeon General at the early part of next year. We believe that Bill Lann Lee is highly qualified to be Assistant Attorney General for Civil Rights. He certainly has a record of clear integrity. This is a man who has spent his entire life fighting for civil rights. It is someone that the President supports and supports strongly. We believe this man deserves a vote, but I assure you he will be the next Assistant Attorney General for Civil Rights.

Q Without a recess -- are you saying that the recess --

MR. BOWLES: I assure you, he will be the next Assistant Attorney General for Civil Rights.

Q Well, can we make this quantum leap and say there will be? (Laughter.)

MR. BOWLES: Well, we hope he'll get a vote.

Q Mr. Bowles, do you believe that Congress is playing by the rules with all of these appointments?

MR. BOWLES: Well, I think -- you know, yes, they're playing by their own rules. Whether or not we like those rules is another subject. I think the job they have done with Bill Lann Lee is disgraceful. I am deeply disappointed with their effort as it relates to appointing judges. As you know, I have spent my entire life trying to bring people together. I think I am known as a relatively reasonable person with working with both sides, but I think the job they have done with judges and with our Assistant Attorney General for Civil Rights is just plain wrong.

Q What are you going to have to do differently, do you think, to get the fast track passed in the spring?

MR. BOWLES: I think we have to do a number of things. We have already started doing those. We have been reaching out to members of both sides, trying to talk about ways that we can make some modifications in our bill so that we can come forward with a bill that can get broader bipartisan support. We just fell very -- you know, we were very, very close this time and we think we can

U.S. Newswire, November 14, 1997

make the kind of modifications that will allow us to come back and get it passed in February.

Q Even with those modifications --

MR. BOWLES: I would rather spend some time talking with the members of Congress, doing our homework, being properly prepared, going out to the people and generating some additional support in the country, and then come forward a little later on and tell you exactly how we would modify the bill in order to achieve the support we need to get it passed. But it is critical that we get it passed. As you look to the future, one-third of the growth that we have had in the past has come from exports. In the future, world trade is expected to grow at three times the rate of the U.S. economy. Ninety-six percent of the world's customers are not here. We have got to bring down these trade barriers so that we can compete on a level playing field with our competitors in Japan and Europe.

Q Are you going to be around to push it?

Q Dean Smith retired. Are you planning to do the same?

MR. BOWLES: What's that?

Q Dean Smith retired. Are you planning to do the same? Are you going to be here next year?

MR. BOWLES: I am going to be here as long as the President wants me to stay.

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NOVEMBER 14, 1997, FRIDAY

SECTION: WHITE HOUSE BRIEFING

LENGTH: 6523 words

HEADLINE: STATEMENT BY PRESIDENT CLINTON  
REGARDING IRAQ STANDOFF  
FOLLOWED BY BRIEFING BY ERSKINE BOWLES  
WHITE HOUSE CHIEF OF STAFF  
THE WHITE HOUSE BRIEFING ROOM  
WASHINGTON, DC

BODY:

PRESIDENT CLINTON: Two days ago, and again last night, the United Nations Security Council sent a clear, unanimous message to Iraq: Stop obstructing the international weapons inspectors who are the eyes and ears of the world on your weapons of mass destruction capability.

Federal News Service, NOVEMBER 14, 1997

Instead of complying the unequivocal will of the international community, Saddam chose to expel the weapons inspectors from Iraq, and in so doing, to defy the United Nations.

Saddam has spent the better part of the last two decades, and much of the wealth of his nation, not on providing for the needs and advancing the hopes of the Iraqi people, but on a program to build an arsenal of the most terrible weapons of destruction -- nuclear, chemical, biological -- and on the missiles to carry them to faraway places.

The U.N. inspectors have done a remarkable job of finding and destroying the weapons and the weapons potential he was hiding, and preventing him from building new weapons. These quiet inspectors have destroyed more weapons of mass destruction potential over the last six years than was destroyed in the entire Gulf War.

Their work is important to the safety of Saddam's neighbors and indeed to people all around the world. It must be allowed to continue.

Today and in the days ahead, the United States will work intensively with our allies and our friends in the region and around the world to convince Iraq to comply with the will of the international community as expressed in the United Nations resolution. Meanwhile, the U-2 missions over Iraq must continue. Without inspectors on the ground, it is more important than ever to monitor events from the air.

And we will maintain a strong military presence in the Gulf. To that end, I have ordered today the aircraft carrier George Washington to the region as a prudent measure to help assure that we have the forces we need for any contingency.

This is a crisis of Saddam's making. It can be unmade only when he can no longer threaten the international community with weapons of mass destruction. Thank you.

Q Mr. President, are you -- (inaudible) -- action?

(President Clinton leaves following his statement.)

MR. ERSKINE: I'm sure you'll all stay live for my part of this. (Laughter.)

I'm going to talk a little bit about what we have accomplished this year and the events of the last week, and then Sandy is going to come up and talk a little bit about the situation in Iraq, and we'll take some questions. I think Gene Sperling and Janet Yellin and the budget director and Elena Kagan are all here to take questions on your behalf.

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Federal News Service, NOVEMBER 14, 1997

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Federal News Service, NOVEMBER 14, 1997

There are also several areas where we did come up short. While we accomplished a great deal, there were four basic areas that we did not reach the potential that we had hoped to.

The first was clearly in a renewal of fast track trading authority. We did have strong opposition by some members of the Democratic Party, and we also had opposition by some members of the Republican Party, who linked their trade vote to international family planning.

We have had a temporary setback there. We do plan to come back next year, hopefully in February, with a bill that can achieve broader bipartisan support. This is something that the president truly believes is critical to the future economic well-being of this country.

The second area where we fell short was in the passage of real campaign finance reform. The Republican congressional leaders blocked the McCain-Feingold bill from coming to a vote. Thank goodness Senator Tom Daschle, the minority leader, was able to extract a pledge from Trent Lott to have a clean up or down vote on this measure before March 6th of 1998.

So this is another portion of where we fell short that we'll be able to fight the battle again at the beginning of next year.

Third, we were not able to enact a strong juvenile justice bill, which we had hoped to do this year. However, the president was able to use his executive power to make some progress on this central piece of legislation. Many of you may remember that we were able to issue a directive to all federal agencies, requiring child safety locks to be issued with every handgun. And we also reached an agreement, with eight major handgun manufacturers, to provide child safety locks with each handgun that's sold.

And lastly, just the day before yesterday, we were set back in our efforts to obtain funding for the U.N. arrears and for the new agreements on borrowing through the IMF; again, another area where we plan to go back, in early February, to meet with the Congress and try to see if we can bring this to a successful conclusion.

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Sandy is now going to come up and take a --

Q How about the nominations that have been set back, surgeon general and civil rights?

MR. BOWLES: There are a number of nominations which didn't come through. Two -- you just mentioned two -- that we have great concern on. We believe that Mr. Satcher will be confirmed, to be the surgeon general, at the early part of next year.

We believe that Bill Lann Lee is highly qualified to be assistant attorney general for civil rights. He certainly has a record of clear integrity. This is a man who has spent his entire life fighting for civil rights and someone that the president supports and supports strongly. We believe this man deserves a vote, but I assure you he will be the next assistant attorney general for Civil Rights.

Q Are you talking about a recess appointment?

Q Will there be a recess appointment? Are you saying --

MR. BOWLES: I assure you he will be the next assistant attorney general for Civil Rights. Q Well can we make this quantum leap and say there will be?

(Laughter.)

MR. BOWLES: We hope he'll get a vote.

Q Mr. Bowles, do you believe that Congress is playing by the rules with all of these appointments?

Federal News Service, NOVEMBER 14, 1997

MR. BOWLES: Well, I think -- you know -- yes, they're playing by their own rules. Whether or not we like those rules is another subject. I think the job they've done with Bill Lann Lee is disgraceful. I am deeply disappointed with their effort as it relates to appointing judges. As you know, I have spent my entire life trying to bring people together.

I think I'm known as a relatively reasonable person working with both sides. But I think the job they've done with judges and with our assistant attorney general for civil rights is just plain wrong.

Q What are you going to have to do differently, do you think, to get the fast track passed in the spring?

MR. BOWLES: I think we have to do a number of things. We've already started doing those. We've been reaching out to members of both sides, trying to talk about ways that we can make some modifications in our bill so that we can come forward with a bill that can get broader bipartisan support. We just fell very -- you know, just we were very, very close this time, and we think we can make the kind of modifications that will allow us to come back and get it passed in February.

Q (Off mike) -- modifications might look like?

MR. BOWLES: I'd rather spend some time talking with the members of Congress, doing our homework, being properly prepared, going out to the people and generating some additional support in the country, and then come forward a little later on and tell you exactly how we would modify the bill in order to achieve the support we need to get it passed. But it is critical that we get it passed. As you look to the future, one-third of the growth that we've had in the past has come from exports. In the future, world trade is expected to grow at three times the rate of the U.S. economy. Ninety-six percent of the world's customers are not here. We have got to bring down these trade barriers so that we can compete on a level playing field with our competitors in Japan and Europe.

Q Dean Smith retired. Are you planning to do the same? (Laughter.)

MR. BOWLES: What's that?

Q Dean Smith retired. Are you planning to do the same?

MR. BOWLES: No, I plan --

Q Will you be here next year?

MR. BOWLES: I'm going to be here as long as the president wants me to stay. Q Erskine, the fast track debate revealed not only some differences of principle over trade between House Democrats and the White House, but there are also a lot of signs of personal resentment and tension and a lot of ill will on their part or feelings that they weren't appreciated here. The larger relationship between House Democrats and the White House is what I'm talking about. How much of a concern is that to you and the president? And is there anything you plan to do about it?

MR. BOWLES: I think some of that has been overblown, John. I think if you look at the votes that we've had this year, whether it was in the balanced budget, where we had between two-thirds and three-quarters of the Democrats voting with us, if you even look at the trade issue, where it passed with a majority of Democrats in the Senate, where it had support of a majority of the governors, the majority of the mayors, if you look at our positions on education, on health care, on welfare-to-work, on any number of issues, on tobacco, on some of the issues that we'll face next year, I think you can see that there is broad consensus among the Democratic Party. Only in the area of trade, I believe, and I think it is a very distinct area, has there been somewhat of a schism. And what we're going to try to do over the next couple of months is work hard to make sure we bring ourselves together so that we can have a bill that gets

Federal News Service, NOVEMBER 14, 1997

broader bipartisan support.

Q Erskine, why weren't you able to at least round up votes in the New Democratic Caucus? It seems of all the Democrats who should have supported free trade, you would have been able to round up all those votes.

MR. BOWLES: Karen, I hope that we can do a better job in rounding up support for it as we go forward. We were able to get about a quarter of the Democratic Caucus to come forward and support it. We hope, if we can make some modifications to the bill, that it will make it more acceptable to a larger number of Democrats and we can get their support.

Q Erskine, you were talking about the IMF and how you might try and take care of this next year. There are some crises going, however, in Asia that might prevent you from being able to do that. Yesterday they said -- Capitol Hill estimated it would require about \$50 billion to bail out Korea, if that becomes necessary. Since they just cut off part of your IMF funding, will that force you to use the currency stability fund?

MR. BOWLES: In the discussions I've had with Secretary Rubin and Deputy Secretary Summers, they feel comfortable that we can manage the problems that we now face. And we expect to be able to go back in the first part of the legislative session and, hopefully, secure the funding for the IMF, and in addition, get the funding that we need for the U.N. arrears. Both of these should have passed this time. I think the fact that they were linked to international family planning just makes no sense whatsoever.

Q Erskine, you said that you're looking to alter the bill that was out there. Are you looking, at this point, in altering a broader bill, or might you do a -- what's the likelihood that you do a fast-track bill that's more narrowly tailored to a specific idea, such as a treaty with Chile?

MR. BOWLES: We haven't made a decision on that yet.

Q Back to Bill Lann Lee, you were saying that he is going to be the next civil rights enforcer, and you say unequivocally. But are you kind of fearful -- is the White House fearful that there could be some retaliatory measures from Congress if there is a recess appointment?

MR. BOWLES: This is a matter that the president believes in strongly. He has supported the principle of civil rights his entire career. Bill Lann Lee is somebody who is qualified, who deserves to be assistant attorney general for civil rights. He will make a great representative of this country, and he should be and he will be.

Q So you're not fearful of congressional retaliation?

MR. BOWLES: No.

Q Erskine, the president started out the year with a very strong call for bipartisanship that prevailed through part of the year. However, you mentioned the judges, Bill Lann Lee, and so on. Has bipartisanship totally broken down in Congress?

MR. BOWLES: No. I think there's a good deal of opportunity for additional bipartisan efforts, whether it's in the international area or whether it's on selected domestic issues.

When we can put together bipartisan coalition, we want to do that. We think that's in the best interest of the American people. They want to see us get things done and not just talk about things. I think if you look at that laundry list of issues that I went through, whether it was achievement of some real fiscal responsibility in this country, whether it was in the area of education, whether it was in the area of the environment, whether it was in the area of moving people from welfare to work, tax relief for middle-class families, there was broad bipartisan support for each one of those. And we worked hard to

Federal News Service, NOVEMBER 14, 1997

achieve that.

Q When your appearance was billed here, we were told that you were also going to project what the president would be seeking in the future -- in addition, I suppose, to fast track. Are there any new initiatives?

MR. BOWLES: I think there are a number of things that you can expect to see us working on as we go forward.

First, we do want to make sure that we do open up markets for U.S. goods. So we will come back with some fast track legislation.

Secondly, we are going to work again to have some real campaign finance reform.

Thirdly, we will work again to have -- to pass a strong juvenile justice bill.

We do want to secure the U.N. arrearages and the funding for the IMF.

In the area of new things that we'll be exploring, I think you will look at us trying to advance our education agenda, stressing the importance of high national standards and infrastructure needs that our schools face today. I think you'll see us working on a consumer bill of rights. You'll see us very active with the tobacco legislation. I think you'll see us moving forward with health care and pension portability, child-care initiatives, reforming the Medicare and Social Security needs of this country, and trying to solve the structural long-term areas of that. Let me bring Sandy up, because he's got to leave in just a minute, to talk to you a little bit about foreign policy.

Q (Off mike) -- the tax code?

SAMUEL BERGER (assistant to the president for national security affairs): Oh, my God. Did you ask me about reform of the tax code, Helen?

Q Yes. (Laughter.) (Off mike.)

MR. BERGER: We're in favor of it.

Are there any questions? I have a long statement here about accomplishments in the foreign policy area, but I think you may have some questions.

Q (Off mike) -- one thing: With the president's diplomacy, is it your sense that the problem here and that what the president and the administration have to do is convince everybody else in the world that Saddam's as big a threat as you apparently believe he is?

MR. BERGER: No, I think the international community has spoken quite clearly over the last two days in first the U.N. Security Council resolution, then last night in the unanimous statement, after he decided to throw out the Americans -- UNSCOM inspectors -- indeed, in practical effect, all the inspectors.

So I think there is a clear base of understanding in the international community that this is a threat, that he has the -- certainly has demonstrated the intent to use these weapons. And if he has an unfettered capacity to do so, it's a threat not only to his neighbors, but to the world.

And we are now engaged in talking, consulting with our allies and friends on how we intensify the pressure on Saddam Hussein to get the same message.

Q Well -- (inaudible) -- on how much pressure should be exercised and whether or not it's worth going all the way?

MR. BERGER: I think there is a clear feeling on the part of the international community that this is a threat, this is a serious matter, that this poses a risk to the region and a risk to the world. And I'm not going to speculate on where -- what steps may proceed.

Q Sandy, the military moves are fairly obvious for us to gauge. I mean, you know, they say we've moving a second carrier in.

The diplomatic moves are harder for us to ascertain. Can you tell us what it is precisely that you're trying to accomplish, what the secretary of state is trying to accomplish, what the president is trying to accomplish when we call France or Russia or Great Britain or whomever?

MR. BERGER: We are consulting with our allies on how we intensify the pressure

Federal News Service, NOVEMBER 14, 1997

on Saddam Hussein and what should take place if he doesn't reverse himself.

Q Sandy, is it a concern that everything that everything that can be done to Saddam has been done? He's lived through sanctions for six and a half years. We've hit him repeatedly with airstrikes. And none of it has done much good.

MR. BERGER: Well, I think that's -- I'm not sure I accept that judgment. The fact is that Saddam has been kept in a box, in a sense, for this six-year period. The sanctions, which are the most pervasive sanctions ever imposed on a nation in the history of mankind, have cost his country \$100 million. Now -- \$100 billion.

Now every year or so, Saddam Hussein tries to break out of that containment box, either by moving toward the South, as he's done in some instances, moving in the North, as he's done in other instances -- in this case, throwing out the international inspectors. And what the international community has to do is to be once again absolutely clear and firm that that is not acceptable behavior, that he remains a threat and the only way out for him is to come into compliance.

Q Sandy, can you --

Q But if I can follow up on that, I mean, the point of the question is, there isn't much more we could do at this point.

MR. BERGER: Well, I think that we have -- as I've said before, we have maintained -- for six years, since the end of the Gulf War, we have kept Saddam Hussein contained.

We have done an enormous amount to destroy his weapons of mass destruction through UNSCOM. We have stopped him when he has tried to move again towards Kuwait. And I think we have to -- this is going to be a long-term enterprise, on the part of the international community, to assure that he does not once again, become a threat to his neighbors or a threat to the region or a threat to his own people.

John?

Q Sandy, is the long-term U.S. policy, not U.N. policy, but U.S. policy, to see Saddam removed from power? And is there any possibility of using this current crisis to achieve some more long-term resolution so that we don't have this sort of episodic annual round of crisis?

MR. BERGER: Well, it is American policy to assure that at the very least, he is not a threat to his neighbors or a threat to his own people. That policy has more or less been successful over the last six years. And I think we have to be prepared, when he tries as he has in a very insidious way in this case, to break out of that box, to make it very clear that that is not something that we'll tolerate.

Q Just to follow up on that, on John's question. But did the president intend to kind of move the goalposts, this morning, when he said that the sanctions would be kept in place as long as Saddam is in power, as long as he lasts as he put it? Is it -- (inaudible) -- opinion that the sanctions will not be lifted ever, as long as Saddam is in power, whatever he does?

MR. BERGER: Well, let Saddam Hussein come into compliance, and then we can discuss whether there are any circumstances.

Q (Off mike) -- but, Sandy, for the record, can you say --

MR. BERGER: It has been our position consistently, that Saddam Hussein has to comply with all relevant Security Council resolutions for the sanctions.

Q (Off mike) -- for the record that where -- if (you ?) comply -- in other words, the point is moot for you at this point -- where if you comply with the sanctions, the U.S. would not block the U.N. from lifting the sanctions?

MR. BERGER: Well, I don't think under these circumstances, when he is blatantly out of compliance, it is the right time for us to talk about how we lift the

Federal News Service, NOVEMBER 14, 1997

sanctions. We're not going to negotiate lifting the sanctions at a time when he is in blatant disregard of not only the sanctions, but also of the Security Council resolutions.

Q It's not a matter of negotiating; it's the point that we're asserting what is in the resolution. You know, they say that if he complies -- (inaudible) -- (if ?) he has complied, the sanctions would be lifted. Is it still the U.S. position right now that they would be lifted, or --

MR. BERGER: It's been the U.S. position, since the Bush administration, that Saddam Hussein has to comply with all of the relevant Security Council resolutions.

Q Not to belabor a quote, but what the president said is what he has just done is to ensure that the sanctions will be there until the end of time or as long as he lasts.

MR. BERGER: Well, that's right. That's not inconsistent with what I have said. In other words, if he's got to be in compliance, he can't be in compliance if he's thrown the UNSCOM people out.

So it's a necessary condition. It may not be a sufficient condition. He certainly cannot come back -- come into compliance when he's thrown the U.N. inspectors out. And as long as they're out, there's no way we can have an argument about whether he's in compliance.

Q Sandy, as the president's national security adviser, how concerned are you and how concerned ought the American people be about the fact that we are now for all intents and purposes blind in Iraq to what he can do with those weapons of mass destruction?

MR. BERGER: Well, let me put it this way. I don't believe that he can redo -- the UNSCOM inspectors have been extraordinarily successful over the last six years, and a large portion of Saddam's weapons of mass destruction have been identified and destroyed. I don't believe that he can redo in a few weeks what UNSCOM has destroyed over six years. But certainly, left to his own devices over a long period of time without international inspection, it is a danger.

Q Sandy, could you reassure the public that the United States has the intelligence and the military capacity to destroy Iraq's ability to deliver weapons of mass destruction, or are we limited in what we can do even if we wanted to?

MR. BERGER: I don't think it's appropriate for me to talk about what our military capacity is or not. I think that's a mistake.

Q What would the justification be -- Mike McCurry said again here today that although you and the president and Madeleine Albright are all working to try to get support from allies, support from the U.N. If necessary, the president could act unilaterally, and he could do so legally. Can you explain that? Would it be because any nation has a right to protect itself? And could the president argue that Saddam Hussein is a threat to the United States?

MR. BERGER: There is a body of U.N. Security Council resolutions that go back for six years which in our view confers all of the authority that we would need. But obviously, it is our first preference to resolve this without -- by diplomacy and peaceful means, and that's what we're engaged in over the next several days in terms of trying to work with our allies, some of whom have more contact with Saddam Hussein than we do, to make it clear that the international community is resolute with respect to this breach.

Q How can the French government make itself useful at this point?

MR. BERGER: Excuse me?

Q How could the French government make itself useful to the international effort at this point? What would you like to see from -- (inaudible word)?

Federal News Service, NOVEMBER 14, 1997

MR. BERGER: I think the government of France, as other governments, need to convey, or hopefully will convey, and I believe have conveyed to Saddam Hussein that he is totally outside the realm of any kind of acceptability from the international community when he throws out these inspectors, and that the only way that he can get back into any kind of dialogue with the international community is by coming back -- by allowing those inspectors back.

MR. TOIV: Thanks, Sandy.

Q Of those accomplishments --

MR. TOIV: Yeah, we still have Gene Sperling, Frank Raines, Janet Yellen and Elena Kagan here to answer any further questions about the year-end report.

Q Now what's the next budget agreement?

MR. RAINES: What's the next budget?

Q How are you coming along in preparing the budget for this next year?

MR. RAINES: We are in the process now of reviewing the proposals from the agencies, and the president will be making his decisions in December for the 1999 budget.

But let me -- let me say one thing, in following up what Erskine said. The president presented his budget in February. Since that time, 15 very important bills have passed to implement that budget; the tax cut bill, the balanced budget bill, and 13 appropriations bills. And just as the president said that his plan, presented in February, would lead us to a balanced budget, indeed, it will lead us to a balanced budget. And just as he said that it would implement his priorities, indeed, through that, those 15 bills that Congress has enacted on a bipartisan basis, the president's program has in fact been enacted.

Whether you look at education or you look at support for families in raising their kids, or if you look at the environment, you see that the president's program has been enacted.

The important part of this isn't simply that we said so in February, but that if you look one year ago, one year ago, the conventional wisdom was that the struggle with the Republican majority, where we were so far apart on priorities, would inevitably lead to a clash and no results. And if it didn't lead to a clash, it would lead to the president having to retreat from his priorities and principles. But if you match up the president's budget and the Republican plan of last year to what has actually happened, case after case, what the president has proposed has actually been enacted into law. So we're no longer at the stage of speculating as to whether or not we could achieve this. In fact, through the enactment of 15 separate bills, the president's plan is now the law of the land. Yeah?

Q Speaker Gingrich yesterday said he wouldn't be surprised if the president embraces eliminating the marriage tax penalty. Given the White House is looking at the budget surplus and ways in which perhaps the tax code could be changed, is that one option that you're entertaining?

MR. RAINES: Well, as all of us have tried to say, that we don't want to spend a surplus before its time. So we would prefer to see any surplus arrive before we had conclusions on how to spend it. But we are looking, as part of this policy process -- and this is the National Economic Council as well as OMB and the Council of Economic Advisers -- at a broad range of policy initiatives that the president can address in his State of the Union Address and in his budget. And so we're looking at a broad range of things. And I think that just as people were impressed by the array of proposals that he made this last January, I think they'll be impressed by his State of the Union speech this coming January.

Q But is that a legitimate issue in terms of tax fairness?

MR. RAINES: Well, there are a lot of issues in our tax system that the

Federal News Service, NOVEMBER 14, 1997

president has spoken to.

We have managed to deal with several of them in terms of the incentives in the tax system for education and for raising kids. But there are issues of tax equity that he is quite concerned about, and he has asked all of us to look at those issues as well as the issues of long-term entitlements to see what kinds of proposals we can make now to move closer to resolution on those issues.

Q When do you submit the budget?

MR. RAINES: First week of February.

Q You all are here for a reason. And I wonder if I could get somebody, Mr. Raines or Gene, to simply deal with this unasked but answered lame duck question straight up, because that's what this is all about, I assume. What's your impression of those assessments we've heard, that the fast track signals the end of all this success, and now we're into a different kind of period.

MR. RAINES: Well, I'm sort of the new guy here, but I remember when I was appointed to this office, people asked me, "Why are you going in there?" I mean, this was last April, and they said, "He's a lame duck, isn't he? The president -- we've got a Republican Congress. How in the world can anything happen?" I would just hold up the last year as testament that any time anyone calls this president a lame duck, he seems to have a very good following year. So I'm not concerned about that.

We have an enormous, an enormous opportunity to pursue the president's program. And I expect we'll be as successful in this coming year as we were in the last year. This past year has probably been the largest change in fiscal and domestic economic policy that we've seen in 30 years, and we're seeing the results in the economy that continues to grow and produce jobs at low inflation, we're seeing the results in improved fiscal policy, lower deficits. I think we couldn't have seen a better year, and I expect that we'll continue to see one. This is an opportunity for this entire administration to continue to produce. Indeed, I think if we focus on the 15 bills that I mentioned, and there could be another 15 I could have mentioned that are not appropriations bills, you would see this was one of the most productive sessions of Congress that we've had in a long time.

Q Are you staying on?

MR. RAINES: Me? Oh, absolutely. I mean, what else would you do other than be OMB director? (Laughter.) Q But there are so many rumors, every other day, that you're leaving.

MR. RAINES: Me??? No, I'm not -- I think you're confusing me with somebody else.

Q No. (Laughter.)

MR. RAINES: No, no, no. I have -- the OMB troops are here. We're going to produce the president's budget and we'll be here to give you all these wonderful briefings in the future.

Q Oh, God. (Laughter.)

Q A question for Gene, or for Janet, actually, about Korea, whether or not you're watching what's going on in Korea, and whether or not the U.S. will participate in any sort of bailout funds for Korea?

MR. SPERLING: Obviously -- obviously, we're always watching, particularly the Treasury Department. And, obviously, Deputy Secretary Summers will be going to Manila as part of the deputy finance ministers. So, you know, it's never -- we're always watching and it almost never does any good to say anything -- speculate or say anything about these situations.

Q Does the cut-off of the IMF funding create a problem for the administration in participating in discussions about it?

Federal News Service, NOVEMBER 14, 1997

MR. SPERLING: I think Erskine's already answered it and -- so.

Q Gene, you're close to a lot of House Democrats. Is it your sense that some of the problems are related -- they're isolated strictly to the issue of trade, or are there broader concerns in the relationship that the White House should be moving to correct?

MR. SPERLING: I think trade in the House was always going to be a tough issue. And I think that it was -- it was always going to be difficult. There were real differences, real differences of opinion. And I don't think they have, you know, much to do with, you know, the timing of the president's term or anything else. That was always going to be a -- that was always going to be a tough battle. I think that there are plenty of things that are going to unite Democrats going forward. I think certainly education, certainly children's issues, including child care, certainly tobacco. So I think that there will be -- I think you'll see Democrats, you know, fighting together on many fronts. But as Erskine said, when we -- in order to get something done, you ultimately have to be able to work in a bipartisan way. And whenever we see that opportunity, our goal is to -- you know, we're going to try to do that.

Q On the issue of fairness as it relates to entitlement reform -- I guess this is directed to the OMB director again -- are you speaking in terms of perhaps means-testing Medicare or something along that line, if you're concerned about future solvency and how to address that issue?

MR. RAINES: Well, as you know, the -- we have had -- we had discussions in the balanced budget negotiations about the structure of Medicare, and in that case, there were discussions about how premiums might be adjusted for those with the highest income, and those did not happen as part of that reform, although we did manage to extend the life of the Medicare system for 10 to 12 years. We're going to be appointing a Medicare commission next month, and these issues will be on their agenda for them to make recommendations to the president and Congress.

Okay?

MR. TOIV: Just one last thing. The president has signed into law -- Frank, you'll be interested to hear this. The president has signed into law the sixth and final continuing resolution for fiscal year 1998. This extends till the 26th of November. This gives the Congress enough time to process the bills and get them over here, and gives the White House enough time to review the bills before the president acts on them.

Q Thank you.

MR. TOIV: And that's it.

END

LANGUAGE: ENGLISH

LOAD-DATE: November 15, 1997

LEVEL 1 - 102 OF 166 STORIES

Public Papers of the Presidents

November 14, 1997

CITE: 33 Weekly Comp. Pres. Doc. 1813

LENGTH: 235 words

## Public Papers of the Presidents

HEADLINE: Checklist of White House Press Releases

HIGHLIGHT:

The following list contains releases of the Office of the Press Secretary that are neither printed as items nor covered by entries in the Digest of Other White House Announcements.

BODY:

Released November 8

Fact sheet: Gulf War Illnesses

Released November 10

Transcript of a press briefing by Press Secretary Mike McCurry

Released November 12

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by Press Secretary Mike McCurry: Meeting With President Nazarbayev of Kazakstan

Released November 13

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Special Envoy to Latin America Thomas F. (Mack) McLarty, NSC Senior Director for Inter-American Affairs Jim Dobbins, and Office of National Drug Control Policy Director Barry McCaffrey on the upcoming visit of President Ernesto Zedillo of Mexico

Released November 14

Transcript of a press briefing by Press Secretary Mike McCurry

Transcript of a press briefing by Chief of Staff Erskine Bowles, National Security Adviser Samuel Berger, Office of Management and Budget Director Franklin Raines, National Economic Council Director Gene Sperling, Council of Economic Advisers Chair Janet Yellen, and Domestic Policy Adviser Elena Kagan on Iraq and the first year of the President's second term

Transcript of remarks by President Zedillo at the signing ceremony for the OAS Hemispheric Arms Trafficking Convention

Fact sheet: OAS Convention Against Illicit Firearms Trafficking

LANGUAGE: ENGLISH

LOAD-DATE: December 15, 1997

LEVEL 1 - 103 OF 166 STORIES

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FDCH Political Transcripts

November 14, 1997, Friday

TYPE: NEWS EVENT

LENGTH: 7124 words

HEADLINE: WEBWIRE-MAKES ANNOUNCEMENT ON WHITE HOUSE CHIEF OF STAFF ERSKINE BOWLES; WASHINGTON, D.C.

SPEAKER:  
WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES

BODY:  
PRESIDENT CLINTON MAKES STATEMENT ON IRAQ

NOVEMBER 14, 1997

\*\*\* Elapsed Time 00:00, Eastern Time 14:45 \*\*\*

SPEAKER: WILLIAM J. CLINTON, PRESIDENT OF THE UNITED STATES

SAMUEL BERGER, NATIONAL SECURITY ADVISER TO THE  
PRESIDENT

ERSKINE BOWLES, PRESIDENT'S CHIEF OF STAFF

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CLINTON: Two days ago and again last night, the United Nations Security Council sent a clear, unanimous message to Iraq -- Stop obstructing the international weapons inspectors, who are the eyes of the world, on your weapons of mass destruction capability.

Instead of complying with the unequivocal will of the international community, Saddam chose to expel the weapons inspectors from Iraq and, in so doing, to defy the United Nations.

Saddam has spent the better part of the last two decades and much of the wealth of his nation not on providing for the needs and advancing the hopes of the Iraqi people, but on a program to build an arsenal of the most terrible weapons of destruction -- nuclear, chemical, biological -- and on the missiles to carry them to faraway places.

The UN inspectors have done a remarkable job of finding and destroying the weapons and the weapons potential he was hiding and preventing him from building new weapons. These quiet inspectors have destroyed more weapons of mass destruction potential over the last six years than was destroyed in the entire Gulf War.

FDCH Political Transcripts, November 14, 1997

\*\*\* Elapsed Time 00:01, Eastern Time 14:46 \*\*\*

Their work is important to the safety of Saddam's neighbors and indeed to people all around the world. It must be allowed to continue.

Today, and in the days ahead, the United States will work intensively with our allies and our friends in the region and around the world to convince Iraq to comply with the will of the international community as expressed in the United Nations resolution.

\*\*\* Elapsed Time 00:02, Eastern Time 14:47 \*\*\*

Meanwhile, the U-2 missions over Iraq must continue. Without inspectors on the ground, it is more important than ever to monitor events from the air.

CLINTON: And we will maintain a strong military presence in the Gulf.

To that end, I have ordered today the aircraft carrier George Washington to the region as a prudent measure to help assure that we have the forces we need for any contingency.

This is a crisis of Saddam's making. It can be unmade only when he can no longer threaten in the international community with weapons of mass destruction. Thank you.

QUESTION: Mr. President, (OFF-MIKE) going to take unilateral action?

BOWLES: I'm sure you'll all stay around for my part of this.

(LAUGHTER)

BOWLES: I'm going to talk a little bit about what we have accomplished this year, and the events of the last week, and then Sandy is going to come up and talk a little bit about the situation in Iraq and we'll take some questions.

\*\*\* Elapsed Time 00:03, Eastern Time 14:48 \*\*\*

I think Gene Sperling and Janet Yellen and the budget director and Elena Kagan are all here to take questions on your behalf.

In thinking about this last year, I thought when I came in a little while ago, I thought of my good friend Dean Smith back in my beloved North Carolina and some of the great teams that he's put together over the years. And I remembered one team we had that went 28 in four. The team practiced hard, they worked hard together. They accomplished some great results and they got to the final four and they lost that last game by two points at the end of the game. And at the end of that game the team was disappointed, some of the fans, and the critics were disappointed.

\*\*\* Elapsed Time 00:04, Eastern Time 14:49 \*\*\*

But I think after the game and after things settled down and they reflected on what had gone on during the entire year, they all decided it was a good year and a year they could be proud of, and they looked forward to keeping the team